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Daily Report
Central Eurasia

FBIS-SOV-95-001 3 January 1995

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Kozyrev Interviewed on Chechnya, U.S. Relations

LD0201100995 Moscow ITAR-TASS in English 0945 GMT 2 Jan 95

[By ITAR-TASS correspondent Aleksandr Pakhomov]

[FBIS Transcribed Text] New York January 2 TASS—Russian Foreign Minister Andrey Kozyrev in an interview with NBC television on Sunday described prospects for the development of Russo-U.S. relations in the new year as "promising."

"We shall seek full strategic and pragmatic partnership with the U.S. and we shall surmount all difficulties which might emerge on this way," Kozyrev said. He pointed out that his meeting with the U.S. Secretary of State Warren Christopher scheduled in Geneva in mid-January was another important step in this direction.

According to Kozyrev, Russia will do everything in its power so as to avoid "the cold war" being replaced by "the cold peace." "We are currently on the way towards strengthening partnership, which in the long run, should bring about the relationship of allies with the United States and any other democratic world country, but this will take more time and demand more efforts..., in particular, in order to overcome practical difficulties connected with an increase in NATO's membership," Kozyrev said.

"We have no fear in connection with the fact that the control over the U.S. Congress is exercised by republicans now," Kozyrev said, adding that he had long been acquainted with quite a few U.S. senators and was sure that they were sharing the idea of strategic partnership with Russia.

Asked about the situation in Chechnya, Kozyrev described the situation there as "a national tragedy." "We were compelled to use force there. There was no other way out except the use of force to restore law and order in Chechnya and help the population get rid of criminal formations. But the developments there can by no means be described as an ethnic conflict or infringement on the rights of the Chechen people...President Yeltsin is keeping the operation under his control, he issued instructions to begin the operation as any other president in the world would do, as the U.S. President would do if he were challenged from one of the regions of his country by a gang having tanks and other military hardware at its disposal," Kozyrev said.

"Russia has its Constitution approved in a nationwide referendum. The Constitution envisages the integrity of the Russian Federation, and President Yeltsin would not stand any attempts to secede, especially if this happens not as a result of a referendum or free and fair elections, but as a result of a resolution adopted by representatives of the Chechen military block," the Russian foreign minister said.

Russian, Croat Officials on Contact Group's Bosnia Plans

LD3012150594 Moscow ITAR-TASS in English 1432 GMT 30 Dec 94

[FBIS Transcribed Text] Moscow December 30 ITAR-TASS—Lasting and just peace in Bosnia and Herzegovina can be reached only on the basis of the peace plan offered by the international Contact Group, Russian and Croat representatives said here today to confirm the stands of their states.

According to a report of the Russian Foreign Ministry, the Russian-Croat talks were held within the framework of a two-day Moscow visit of First Deputy Croat Foreign Minister I. Sanader.

The Croat representative passed over a message to Boris Yeltsin from Croat President Franjo Tudjman during his meeting with Assistant to the Russian President for International Affairs Dmitriy Ryurikov.

He also met First Deputy Russian Foreign Minister Igor Ivanov for consultations. The Russian side noted with satisfaction that settlement in Croatia has begun to progress. However, this process is extremely complicated, delicate and it requires consistency, restraint and orientation at political means. Russia stands for a just solution to correspond to the interests of Croats and Serbs. Moscow does not doubt territorial integrity of Croatia.

The Croat side confirmed the striving to achieve the solution of problems in areas of Serb population through peaceful means. The representative stressed the active Russian role in the settlement and expressed the hope Russia will intensify its efforts.

The sides discussed prospects for bilateral relations in all spheres. They agreed to revise the agreement-legal basis of the Russian-Croat relations and prepare a protocol on consultations on major international issues.

UN Votes To Reduce Russia's Fee

LD3012171494 Moscow INTERFAX in English 1453 GMT 30 Dec 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Dec 30 (INTERFAX)—Within the next three years the amount of Russia's fee to the UN budget will be reduced from 6.71 to 4.27 percent compared with this year.

A top-ranking official from the Russian Foreign Ministry reported to Interfax on Friday that this decision was adopted in December at the 49th session of the UN General Assembly.

According to the diplomat, "in a close cooperation with the states of the Commonwealth and the Eastern Europe

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the Russian delegation managed to force confirmation of a new scale which is more favorable compared with the recommendations of the UN committee on fees."

Consequently, the amount of Russia's annual fee for the upcoming three years will be 5.68 percent in 1995, 4.45 percent in 1996, and 4.27 percent in 1997.

"Thanks to this Russia will be able to save several tens millions dollars," the diplomat underlined.

He reported that "as of mid December 1995 Russia's total debt on fees to the UN regular budget and for peacekeeping operations was about $500 million."

Moscow Cannot Afford To Become Member of UN FAO

LD3012181194 Moscow INTERFAX in English 1558 GMT 30 Dec 94

[FBIS Transcribed Text] Moscow, Dec 30 (Interfax)—Russia could not become a full-fledged member of the UN Food and Agricultural Organization (FAO) "in the near future" as a result of financial difficulties, said the communique on the results of the meeting of the interdepartmental commission on Russia's participation in the international organizations within the UN in Moscow this week.

The Russian Foreign Ministry transferred to Interfax a document today saying that the annual contribution to the FAO was about $24 million.

The meeting said it was very important for Russia to develop cooperation with the FAO. The appropriate Russian ministries and departments were instructed to work out concrete proposals for interaction with the FAO.

Turkish Envoy Meets Foreign Ministry's Chernyshev

TA3112120894 Ankara Turkiye Radyolari Network in Turkish 0530 GMT 31 Dec 94

[FBIS Translated Text] The new Turkish ambassador to Russia, Bilgin Unan, has had a meeting with Russian Deputy Foreign Minister Albert Chernyshev.

The meeting was held because Ambassador Unan recently assumed this post. They discussed the Conventional Armed Forces in Europe [CFE] treaty as well as the issue of the opening of a PKK [Workers Party of Kurdistan] bureau in Moscow.

ANATOLIA reports that Chernyshev told Ambassador Unan that Russia is studying Turkey's request to send aid to Chechnya.

Russia does not want the CFE to be implemented in the Caucasus. It also maintains that the PKK bureau in Moscow was opened for Kurdish cultural activities only.

Russia's World Role Eyed on Eve of New Year

MM0301112595 Moscow KRASNAYA ZVEZDA in Russian 31 Dec 95 p 3

[Article by Aleksandr Golts: "A World Without Illusions"]

[FBIS Translated Text] At New Year it is nice to receive the good wishes of your friends and acquaintances, of course, just as it is pleasant to read the many horoscopes which tell of the prosperity that inevitably awaits each of us in the year ahead. But in our hearts we know that the holidays will end and we will have to return to everyday matters and continue living in a very hard and sometimes simply brutal world. A world in which by far the greatest chance of success lies with those who are first to abandon the illusion that prosperity will descend on them from heaven.

Yet if we try to predict the development of the international situation in the coming year it will be seen that, despite the difficulties that Moscow is bound to encounter, there is still a clear positive factor. We are finally beginning to conduct affairs without illusions or the hope that our "correct" and "fair" attitude toward our partners and the desire to take their interests into account will automatically lead to harmony in all foreign policy matters. Russia will have to defend its own interests increasingly fiercely.

In the new year this will have to be done with regard to the CIS states, whether we like it or not. The hopes of an accelerated integration which were very strong in 1994, especially after the presidential elections in Ukraine and Belorussia [Belarus], have not been borne out. And that despite the obvious desire of our countries' peoples for this. There is an objective economic explanation here. The positive aspects of integration can only work if the CIS states pursue a common economic policy. To be frank, that would mean in practice a very definite subordination to Russia as the strongest among the weak. But as the attempt to merge the financial systems of Russia and Belorussia showed, the political elites have no intention of conceding even one iota of power to anyone.

Unfortunately, in the year ahead the need for Russia also to conduct peacemaking operations on the territory of the former USSR will not disappear. Although it has to be said that a noticeable breakthrough was achieved here in 1994. Thanks to Russia's consistent policy a truce has been achieved in Nagorno-Karabakh and in Abkhazia. Here, too, however, our partners have not been unduly consistent. Scarcely have they recovered from their bloody clashes than they hurry to reject Russian mediation. Either they believe that intervention by other countries, above all the great powers, will yield them some kind of dividends, or else they intend once again to resolve their problems on the battlefield. It is clear today that the "zone of good-neighborliness" that our diplomats have dreamed of since 1991 cannot be created by

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counting solely on the goodwill and reason of your neighbors. Sometimes a very tough approach is needed. Everyone has to be aware that the post-Soviet area was and remains a zone of our vital interests.

We view relations with the industrially developed states today without any illusions at all. The situation is developing in such a way that people have already begun talking about a "cold peace." I would note that the situation is aggravated whenever Moscow tries to defend what are in fact its vital interests. As happened when, for example, we resolutely opposed the plans to expand NATO. Plans whose implementation would immediately place Russia in a "European ghetto." A new conflict is also arising over Moscow's demand for the review of certain provisions of the CFE Treaty, a perfectly just demand in the new circumstances. The restrictions which were agreed in the past and which were acceptable when the USSR existed do not make it possible to ensure Russia's security on its southern borders today. However, our partners have not yet expressed a readiness to accept this.

Nevertheless, the main international problem which will face Russia in 1995 will not, in my view, be in the security sphere. The past year saw the assertion of new realities in the world economy. In addition to the free-trade zones already existing in Europe and North America it has also been decided to create similar zones in the Asia-Pacific region and the whole of the Western Hemisphere. Our country remains on the margin of these processes. To all intents and purposes the "iron curtain" still exists to a considerable extent in the economic sphere.

At the same time there is something else which cannot be overlooked. At precisely this moment when relations with the United States and the West are obviously cooling, it has become clear that partnership exists, that it is real. Evidence of this is provided at least by the understanding that the leading states have expressed toward Moscow's actions in Chechnya. Of course, they may have tactical designs here: While occupied with the Chechen crisis Russia might soften its stance on other problems.

Nevertheless, in a highly complex situation these countries have unambiguously spoken in favor of preserving Russia's integrity. It is no coincidence either that the majority of foreign policy triumphs that the leaders of the top states have been diligently enumerating in the these final days of the year are connected in one way or another with Russia. Both the head of the U.S. foreign policy department and a spokesman for the British Foreign Office have said as much in the last day or two. So the task for the coming year is to ensure that real Russian successes result from that partnership.

One sphere where we could achieve success must be cooperation rather than confrontation with the other leading world states in resolving crisis situations, of which there was such an abundance in 1994 and, I suspect, will also be in 1995 too. Here Russia could play the role of an honest broker not subject to circumstantial vacillation. However, it must be stated that our foreign policy is not always as principled and consistent as it ought to be. And that, of course, undermines trust in Russia.

Generally speaking, the link between domestic and foreign policy is clearer now than ever before. And I am not even talking about a situation whereby foreign policy becomes a hostage of the struggle between individual groups or parties. I am saying first and foremost that a truly worthy place in the world can be achieved only when you have achieved stability in your own country and have reached agreement on at least the main questions of the state's existence. The latest events show that we are still a long way from that. That is why the year ahead will not be easy. But I hope that we get through it in a dignified manner. Each one of us and all Russia.

Paper Views Factors Behind Woolsey Resignation

MM3012154394 Moscow IZVESTIYA in Russian 30 Dec 94 p 3

[Article by Aleksandr Sychev: "The CIA Chief Fell Victim to a KGB Agent"]

[FBIS Translated Text] James Woolsey, director of the U.S. CIA, has resigned. Some U.S. newspapers have viewed his departure as the "unintended last victim of the greatest spy scandal in U.S. history"—the expose of the intelligence activities of Aldrich Ames, a high-ranking CIA staffer, in favor of the USSR and Russia.

U.S. President Bill Clinton did not try to dissuade the intelligence chief, who, as the statement reads, excellently carried out his duty, performed great work in reorganizing the Intelligence Agency, and merits the gratitude of his fellow citizens. His resignation was accepted. Woolsey seems to have arrived at this decision without prior preparation. Only 10 days ago Woolsey was exuding calm and was not thinking of going. The President has not yet named his successor either.

Criticism of Woolsey began to grow in the U.S. corridors of power after the Senate Committee on Intelligence prepared a report 1 November on what the CIA had done to exclude the possibility of a repeat of failures on a similar scale to the scandal occasioned by the activities of Ames and his wife. Senators regarded as "inadequate" the disciplinary and organizational measures taken by the intelligence chief.

If you look through officials' eyes at the way Woolsey was instilling order in the department entrusted to him, he really did make an unforgivable mistake for a leader of his rank—he failed to find scapegoats and to make an example of them for overlooking the "mole" who had tunneled deep into the agency. Woolsey confined himself to reprimanding seven former CIA staffers and four present ones. "I believe that Woolsey went at the right

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time," Dennis DeConcini, chairman of the Senate Committee on Intelligence, declared. In his opinion, Woolsey had a splendid opportunity to take advantage of the scandal and carry out an impressive purge of CIA personnel. He did not do so. Why?

Traditionalist officials failed to understand James Woolsey's aims. He was undoubtedly afraid to strike one more blow at his colleagues' morale, which had been undermined not only by the Ames scandal but also by the loss of working guidelines following the disappearance of the global enemy in the form of the USSR, by the complexity of the problem of seeking new aims and tasks, by the need for old employees to change their work style, and also by the generally critical attitude of U.S. taxpayers to a costly organization which tackles things they do not understand.

So, James Woolsey is going plainly not of his own will. What, in that case, made the White House insist that the CIA director give up work which he likes? Maybe the last straw was Aldrich Ames' recent interview with the CNN TV Company. Ames did not rule out, in particular, the possibility that foreign agents are continuing to work deep within the CIA even after his own exposure. For James Woolsey those words were like a blow to the solar plexus. It would be hard for the U.S. leadership to imagine more serious evidence confirming his professional unfitness.

U.S. newspapermen have drawn up a list of the most likely candidates, which includes John Deutch, former under secretary of defense; William Crowe, U.S. ambassador to Britain; and Congressman Dave McCurdy.

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Political Issues

Gorbachev Calls for Yeltsin To Resign

BR0301153795 Turin LA STAMPA in Italian 3 Jan 95 p 7

[Interview with former USSR President Mikhail Gorbachev by Giulietto Chiesa "in his dacha"; date not given: "Moscow's Cassandra"—first paragraph is LA STAMPA introduction]

[FBIS Translated Text] "Now they must step down, all those responsible for this tragedy must step down." Mikhail Gorbachev was in his dacha, in front of the television. The images of the tremendous defeat suffered by the Russian troops flickered across the screen, and the atmosphere was electric, presaging a storm. Step down? But why?

[Gorbachev] They have no choice, provided they still have a grain of any sense of responsibility left in them. They—and first and foremost the president, who bears the greatest responsibility—must acknowledge that they have lost touch with the country. They must realize that there is now an abyss between those in power and society.

[Chiesa] Do you think that such a thing is likely to come to pass?

[Gorbachev] I do not know. The political crisis is clear and inevitable. Given the situation, Yeltsin himself may be the one to acknowledge it by making proposals. It is up to him, if he still has a head on his shoulders, to resolve this problem. If he lacks sufficient courage and political realism, only parliament can do it. Although the Constitution does not give them sufficient powers, the Duma and the Council of the Federation have a duty to raise the issue, not merely by calling on the president and the government to account for their actions, but by putting forward specific proposals to remedy the situation, and by calling first of all for the immediate cessation of the military campaign: This is the least that needs to be done—and immediately—before anyone gets it into his head to launch another offensive.

[Chiesa] Should a political solution be sought, as Duma speaker Ivan Rybkin suggests?

[Gorbachev] A political solution should have been sought at the outset. It is unrealistic now to think that it can be found easily after so much bloodshed. The Chechens are winning, strange as it may seem to those who dreamed up this adventure, and they will come to the negotiating table with enormous moral strength. But the evil is done now. All we can do is to try to limit the damage.

[Chiesa] How? By what means?

[Gorbachev] We will have to negotiate come what may, but the Chechnya issue is not the only one. There is the problem of who will govern Russia: Many have thought misguidedly that we needed a strong executive authority exempt from all democratic control. What he have had is a nondemocratic, muddled, weak authority. It is not up to me to find a currently—and sadly—nonexistent legal mechanism to extricate us. But if we want to avoid a full-scale coup d'etat, the establishment of a police state throughout the country, we have to contemplate a transition stage. Transition to what? To fresh parliamentary and presidential elections that will reconstitute a legitimate authority as fast as possible.

[Chiesa] With the present Constitution?

[Gorbachev] No, this Constitution is at the root of the present disaster. It grants too many powers to the president who, moreover, has used them arbitrarily, and has stripped parliament, which has not proven capable of curbing the president, of all its powers. I have always been against institutional intricacies. I have been saying for some time that we need immediate elections, but I now think that the emergency calls for a realistic, responsible solution: for example, a constituent assembly to accept the resignations of the president and parliament and initiate the requisite amendments to the Constitution. The existing executive and legislative authorities ought to foster this process and take part in it until fresh democratic elections are held.

[Chiesa] I repeat my question. Do you think them capable of stepping down?

[Gorbachev] I repeat my reply. Unless they have completely lost their heads, they ought to. Moreover, it is only on these conditions that they can obtain guarantees for the fate that awaits them in the future, otherwise they will place themselves in an extremely difficult and dangerous situation. What is more, they will expose the country, Russia, democracy, to a lethal danger.

[Chiesa] Which is?

[Gorbachev] Their dictatorship, because that would be the only way they could avoid accounting for their actions. And being called to account can only be avoided by gagging the mass media and depriving parliament of freedom of expression and the electorate of its vote. The moral, political, and military disaster is too great to be concealed or played down.

Counterintelligence Services Discuss Merger

MK3112114294 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 31 Dec 94 p 1

[Report by Vladimir Kartashkov: "Divide and Rule. They Slipped a Badger Into the Counterintelligence Service"]

[FBIS Translated Text] Relations between the Kremlin and the Lubyanka [Federal Counterintelligence Service headquarters] have become increasingly reminiscent of squabbles between a house management authority and

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its residents. The house manager is always busy remodeling something, while the residents respond by first taking the light bulbs from the lobby, then vandalizing the elevators.

For a year the Federal Counterintelligence Service [FCS] has been filled with rumors about yet another upcoming—as always unexpected—reorganization. Judging from information available to MOSKOVSKIY KOMSOMOLETS, state security agencies will be revamped once military operations end in Chechnya. The reform will cover not only the FCS, but other services as well. One reform option is currently being tested. The option calls for a merger between the counterintelligence service and the former KGB's ninth department, currently the Russian Federation Main Protection Directorate [MPD]. Shortly before combat operations to restore the rule of constitutional law began (and soon after the special services' showdown outside the mayor's office) the operational command of the Moscow counterintelligence directorate was entrusted to the MPD boss, Lt. Gen. Mikhail Barsukov [Subhead in subslug is a pun on Barsukov's name; "barsuk" means "badger."], along with an acting directorate chief from the FCS. The Chekists initially felt offended—why do we need another watchdog? But subsequently protests subsided. It was explained to them that Barsukov is in charge only of anti-terrorist operations, while all other matters would remain in the counterintelligence service's bailiwick.

Of course, it is fine to have an outside general responsible for the most dangerous sector of work. But we have somehow forgotten that recently the president ordered that Sergey Stepashin be included in a list of persons entitled to "full" state protection. Such persons are protected not by FCS officers, but by MPD bodyguards. It is they who now guard the counterintelligence director during his trips across the country.

Therefore, contacts between the two services have become so close that it is now hard to distinguish between their areas of operation or to establish which of them is in control of the other.

On 20 December, the day when Lenin founded the Cheka—still an unofficial holiday—MOSKOVSKIY KOMSOMOLETS received complete information on personnel reshuffles at the FCS. There are plans to retire the chiefs of the three most important directorates. It is still unclear whether Sergey Stepashin will stay on as FCS director.

One thing is clear, however: a frantic search has begun for switchmen [as published] to blame for the bungling of the operation in Ichkeria. At the latest Security Council meeting the president gave the uniformed ministers two weeks to establish order, after order would be established in their agencies. While the chiefs of the internal affairs and defense ministries have at one card to play—their soldiers are dying—the FCS has nothing to hide behind. Even the CIA did a better job of handling the Contras. Moreover, a blueprint for establishing order has long been drawn up. What remains to be done is to write in at the top: Draft Presidential Edict.

In general outline, the plan looks as follows: The president will subordinate the FCS, the MPD, and the Tax Police to the Justice Ministry. Thus a formidable service modelled on the Security and Internal Affairs Ministry will be created that will report directly to the head of state.

Filatov on Democrats Relations With Yeltsin

LD3112105994 Moscow Mayak Radio Network in Russian 0700 GMT 31 Dec 94

[FBIS Translated Text] Sergey Filatov, head of the Russian president's administration, said that the distancing from the president by the democrats is temporary, and as events develop everything will return to normal as there is no threat either to democracy or to reforms.

One threat is realistic now: the diversion of large financial funds to deal with the aftermath of the conflict in Chechnya. This could threaten both the budget and the 1995 strategic aims, Filatov stressed.

Russia's Choice on Recall of Members

LD3012202594 Moscow INTERFAX in English 1901 GMT 30 Dec 94

[FBIS Transcribed Text] St. Petersburg, Dec 30 (Interfax)—The Russia's Choice faction in the State Duma is "about to decide to recall its members from the government," Russia's Choice parliamentarian Grigoriy Tomchin told a press conference in St. Petersburg today.

Tomchin said he believed that the only alternative to Russia's Choice recalling its members could be a dismissal of the power ministers. He said that the Chechen crisis could result in a delay in the reforms lasting from 2 to 10 years and establishment of a totalitarian regime in Russia.

Russia's Choice now has four representatives in the government: First Deputy Premier Anatoliy Chubays, Environmental Minister Viktor Danilov-Danilyan, Minister for Sciences and Technical Policy Boris Saltykov and Culture Minister Yuriy Sidorov.

Shumeyko on 'Stronger' State for 1995

LD3012161794 Moscow ITAR-TASS in English 1538 GMT 30 Dec 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow December 30 TASS—Vladimir Shumeyko, speaker of the Federation Council, described the year of 1994 as a period when "(social) accord gained ground, progress toward a powerful state was made, even though "irreconcilable opposition",

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different views in regard of economic reforms, the current discords and criticism of President (Boris Yeltsin) were available".

"In general, the society grew more tranquil, and politicians in the main began to awake to the fact that Russia is a powerful country and that democracy is the way of its livelihood," Shumeyko told ITAR-TASS on Friday.

Democracy spells power of the people, that is, it implies eligibility and accountability, differentiation between branches of power but not total permissiveness, he recalled.

Over the past 10 years people have become disaccustommed to any order at all, and most of them are interested, first and foremost, in the possibility of a normal, stable, human life, he said with regret.

In Russia, the transition from one social and political system to another is a matter of only a few years, rather than centuries, he said.

In 1991, the vertical system of planned economy, centralized management broke down; the Soviet Union was no more; in October, 1993, the system of power of the soviets ceased to exist. The year of 1994 saw "a transition to a system of democratic government," the speaker emphasized.

"However, the speed of the process has led to such a tragic situation, under which we have to choose between what is bad and what is very bad," he admitted.

Touching upon situation in Chechnya, he said that, from a moral viewpoint, it is very bad that civil innocents are killed there. But non-interference on the part of the Federal Government may have resulted in Russia's forfeiture of a part of its territory, which eventually may have led to a fall of the country, he explained.

"In Chechnya, it is not a matter of a war between Russians and Chechens, it is not a matter of struggle of the peoples against each other," he said. In his opinion, to say "yes" to Dudayev's policy would mean to agree that anyone "may set up a criminal regime in any part of Russia".

The speaker praised highly the recent meeting between President Yeltsin, Premier Viktor Chernomyrdin and members of Russian Parliament, at which they reached an agreement on a unified legislative programme. It would have been impossible to call the meeting only a year ago, when the branches of power were engaged in an irreconcilable struggle against each other, he said.

On the verge of the new year, Shumeyko expressed hope that 1995 should become in Russia "a year when the state will grow stronger".

He recalled that in accordance with the Russian Constitution, presidential elections are scheduled for 1996. The elections "cannot be held either earlier or later—we must learn to respect the Constitution", he said.

As it is established in the world of politics, political parties oppose the executive power in the run-up to (presidential) elections, trying to take advantage of the criticisms. But by the time of elections "we must be not in a divided condition, but have a unified strong country (called) Russia," he said in conclusion.

Grachev Gives New Year's Message to Troops

MM0201123595 Moscow KRASNAYA ZVEZDA in Russian 31 Dec 94 p 1

[Russian Federation Defense Minister's New Year Greeting: "Friends, Happy New Year in 1995—the Year of the 50th Anniversary of Our Great Victory!"]

[FBIS Translated Text] Comrade soldiers and sailors, sergeants and petty officers, warrant officers, officers, and generals and admirals!

Combat friends!

Nineteen ninety-four is passing into history. Like life itself, it was filled not only with happy but also sometimes with sad days. The past year has been an extremely difficult one for the Russian Federation Armed Forces too. But no matter what situation developed in our country, the Army was always well up to the demands made of it. It was, is, and will remain the most important guarantor of Russia's security and of the preservation of its integrity and sovereignty.

Our service is such that not all of you will be greeting the new year in the bosom of your families. At this time a great many will be at action stations or on guard, and a considerable number of servicemen will enter 1995 in a situation differing little from a combat situation.

But wherever a Russian soldier may be today, I am sure that he is diligently fulfilling his military duty and demonstrating a high degree of combat proficiency and courage. Young Russian men loyal to their constitutional duty are showing steadfastness and selflessness in overcoming the privations that have fallen to their lot.

All this engenders in Russians an unshakable certainty that the Armed Forces will continue to watch over the Russian state with honor and dignity, ensuring its security and independence. I have no doubt that in the year of the 50th anniversary of our great victory our servicemen will augment the glorious combat traditions of front-line troops.

From the bottom of my heart I wish you and your nearest and dearest a happy 1995! Let it bring everybody confidence in tomorrow. I wish you happiness and prosperity and health and a long life. And peace and tranquillity, dear fellow countrymen!

[Signed] Army General P.S. Grachev, Russian Federation defense minister

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Yeltsin Delivers New Year's Greetings

LD3112085894 Moscow ITAR-TASS World Service in Russian 0615 GMT 31 Dec 94

[FBIS Translated Text] Moscow, 31 Dec (ITAR-TASS)—We transmit the New Year's greetings of the president of the Russian Federation, released by the presidential press service and embargoed until 2350 Moscow Time on 31 December:

"Dear fellow countrymen!

"The clocks are telling the final minutes of 1994. At this time we recall the past—the joys and sorrows, the discoveries and losses which are linked to it.

"Most Russians will be spending this New Year's night in the family circle, with friends and loved ones—such is the ancient Russian tradition! At times, for the sake of such a meeting, great distances are covered in order to forgive past hurts, in order to free the heart of oppressive yearning for one's parents.

"I am happy for you that you have met up, that you are together again at the same table. Be true, generous, and devoted to one another.

"Harmony and happiness to you in the coming year!

"The minutes before the New Year are a time for hopes. There is no person who would not like to see the new year be better than the last one, to see happiness and fortune smile upon them, to see calm and peace in our homes.

"May these bright hopes be realized!

"Let us now remember those who are on their own, who are missing the warmth of the heart, who have no one to share the New Year holiday with. I wish them good fortune with all my heart. Be strong, do not let your spirits fall, and be sure to believe in better things!

"May the coming year be good for you, may it bring you new and happy meetings!

"I would like us at this time to remember our homeland - our Russia, big and beautiful and great. Things are not easy for her now. Each one of us, wherever we are living, probably feels this keenly.

"But we will take care of our country, we will organize her and love her! I believe that we will manage to do more for Russia in the coming year than in the outgoing one.

"I send my New Year's greetings to those who are at this time serving, who are maintaining the security of our country, defending its borders. As you do your duty and risk your lives even on this New Year's night, remember that you are serving Russia, defending Russia and its citizens.

"Not everywhere in our country is there peace today. And perhaps that is why we now feel its value and importance with particular keenness.

"For me there is no more important task in the next year than the restoration of peace and normal life in the Chechen Republic, North Ossetia, and Ingushetia. And then the refugees will be able to return to their cold hearths [as received]. We will spare no effort for this.

"On this New Year's night, I wish to appeal particularly to Russians living beyond Russia's borders—in the countries of the CIS and the Baltic region. Dear fellow countrymen! We remember you, we are doing and we will do everything possible to defend your legal rights and interests.

"Dear friends!

"In a few moments it will be the new year—1995. Let us enter it with all of the best and the brightest which we had in the outgoing year of the 1000-year old history of our great Russia.

"May all our cherished desires be fulfilled, all our plans accomplished, may every undertaking be brought to life in the year that is beginning! May adversities pass us and Russia by!

"Farewell 1994. Hello 1995!

"Season's greetings, friends!

"Happy new 1995!"

Ilyushin on Groznyy Talks Issues

LD0301163195 Moscow Mayak Radio Network in Russian 1530 GMT 3 Jan 95

[FBIS Translated Text] Viktor Ilyushin, the Russian president's first assistant, said in an interview with an INTERFAX correspondent that no one can give an exact date of a complete settlement to the crisis in Chechnya. However, it is clear that the immediate entry by official Groznyy into talks with the federal authorities without any preconditions could be the most serious step toward an end to it in the interests of Russia and all Russians. In Ilyushin's opinion, with all the contradictory facts and figures coming in from Groznyy, there are no grounds for not believing the official Russian sources. At the same time, he said: These figures are convincing of something. At the moment the confrontation between the sides is so great—and the Chechen side, it would seem, is poorly controlled—that the federal bodies simply have no other choice than to see the crisis through to the end.

Shakhray Calls To Find 'Moscow Accomplices'

LD0101153795 Moscow INTERFAX in English 1409 GMT 1 Jan 95

[FBIS Transcribed Text] Moscow, Jan 1 (INTERFAX)—The leaders of the Party of Russian Unity and Concord

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[PRES] believe that "the situation in Chechnya is acquiring features of a general political crisis in Russia."

"The malignant tumor of separatism and lawlessness that has blighted one constituent member of the Russian Federation is threatening to spread over not only to the neighboring North Caucasian republics, but to other regions as well. The polarization of political parties and other public forces may lead to yet another split in Russian society," says the memorandum of this party's Executive Committee, which was signed by the party leader, Russia's Vice Premier Sergey Shakhray and circulated in Moscow.

The document also says that "among the most serious causes which allowed general Dudayev to run a criminal free economic zone in Russia for three years is the absence of coordination between the three branches of authority and politicians."

"It is not yet late to prevent the eminent political crisis, threatening to annul the democratic gains and break up the country. To do so, one should take into account the mistakes already made, avoid new mistakes and do away with inertia and weakness. But this alone is insufficient," says the memorandum.

"Sooner of later, Groznyy's top officials, led by General Dudayev, will be arrested, and the criminal regime destroyed. A trial will be held similar to the trial of the Panama leader Noriega, taken to the U.S. by the American army. However, whereas the trial of the Panama general did not reveal any serious Washington accomplices in the dictators' crimes, an honest investigation of the case of our home-bred dictator will open a totally different picture to the view," the document goes on to say.

"Without Moscow accomplices' support, the enormous arsenals of the North Caucasian military district, consisting of the most up-to-date systems of weapons, including armored vehicles, artillery systems and combat planes, would have never got into the hands of the separatists. Without their participation, trillions of rubles would have never been let out of Russian banks against false letters of advice. Without their assistance, the rebellious general would have never secured the 'most favored status' which turned part of the Russian Federation into a zone of terrorism and drug business," says the memorandum.

"It is an open secret that against the backdrop of contradictory reports about the goals and plans of the federal authorities, Dudayev's propaganda machine, including, paradoxically as it may seem, federal mass media, was running quite smoothly," says the document.

The leaders of the Party of Russian Unity and Concord urged President Yeltsin "to carry out a full-scale investigation to reveal the Moscow accomplices in the Chechen tragedy." "Otherwise, Chechnya may be just one in a series of bloody conflicts in Russia," they stated.

Deputies Return From Chechnya, Urge End to War

LD0201141995 Moscow ITAR-TASS in English 1402 GMT 2 Jan 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow January 2 TASS—A group of Russian deputies urged the federal government to prevent a new storming of Groznyy.

The deputies said the previous attack on the city on December 26, 1994 killed several hundred civilians and servicemen of various nationalities and left thousands homeless.

In a statement released on Monday, the deputies warned that a new attack on the Chechen capital may cause new casualties among civilians.

The statement was signed by Deputies Viktor Sheynis, Lev Ponomaryov and Gleb Yakunin—who have just returned from Chechnya where they witnessed the December 26 storming—and Russian human rights commissioner Sergey Kovalyov, who remains in Chechnya.

They pointed out that streams of burning oil and petrol leaked from tanks hit and set ablaze by shells and missiles were flowing around in a dangerous proximity to tanks of ammonia and other chemicals.

The deputies urged the government to "stop the flywheel of war in Chechnya, immediately remove (Vice-Prime Minister) Nikolay Yegorov and (Defence Minister) Pavel Grachev from supervising the operation in Chechnya, convene urgent sessions of the State Duma and the Federation Council and lift the information blockade on the state-run mass media."

"All disputes connected with the status of Chechnya should be solved only by political means," they said.

Duma Deputy Yushenkov on Chechnya, Democracy

LD0101210995 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 1 Jan 95

[FBIS Translated Text] Speaking about the Russian army's operation in Chechnya, Sergey Yushenkov, the head of the State Duma Defense Committee, has said that the operation will have sad consequences for Russian democracy:

[Begin Yushenkov recording] According to most preliminary estimates, several thousand people have already died during the so-called liberation of Groznyy. This is a very high price to pay for maintaining Russia's territorial integrity. What's more, this aim is unlikely to be reached since its results are already obvious: separatist moods are on the increase, and not just in Muslim republics, and radical-nationalist tendencies are growing in various

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nationalist movements, and not only in nationalist movements, one can now say. [end recording]

Filatov on Conciliation Process

LD3012172894 Moscow INTERFAX in English 1558 GMT 30 Dec 94

[FBIS Transcribed Text] Moscow, Dec 30 (INTERFAX)—The Russian president's chief of staff, Sergey Filatov, said the Chechen conflict had become "protracted and ugly."

"It's agitating the whole society," Filatov said on Friday in an interview with Interfax. "There is no party or association which hasn't stated its attitude to it."

"Of course, we have made a series of mistakes. The time that could be used to solve the problem without the use of force is gone," Filatov continued. "The political consequences of the Chechen events will be very grave for the entire country. It'll take an enormous amount of work to bring life in Chechnya back to normal."

"The conciliation process will take months, and we have no illusions about that," the chief of staff went on. "It's all the more important, therefore, that all the forces that want peace in society should be activated."

"It is for that reason that today, at a meeting of the Conciliation Commission for the implementation of the Civic Accord (a civil peace pact signed between Yeltsin's friends and foes earlier this year), we decided to form several working groups to start a dialogue with all political and public organizations in Chechnya. It's very important now to bring as many as people as possible from under (Chechen leader Dzhokhar) Dudayev's influence and draw them into the conciliation process," Filatov said.

Russian Forces Aim To Disarm Illegal Groups

LD3012173894 Moscow INTERFAX in English 1558 GMT 30 Dec 94

[FBIS Transcribed Text] Moscow, Dec 30 (INTERFAX)—The aim of the Russian forces moved into Chechnya is "to disarm the illegal armed groups on the territory of the republic and remove armaments from there," the Russian president's chief of staff, Sergey Filatov, said.

"The amount of armaments amassed in Chechnya is dangerous for other North Caucasus republics as well," Filatov told Interfax.

"But there is no peaceful way to carry out disarmament. This can't be done by negotiation. That's unrealistic," he said.

The next task after disarmament is to restore Chechnya's "legitimate government bodies," Filatov said.

He said the Chechen problem is mainly being dealt with by the Russian Security Council. "That is natural, because the matter affects a fundamental area, the security of the country, and military matters were the principal aspect of the problem. They called for quick intervention," Filatov said.

Chechen 'Terrorism,' Unconfirmed in Moscow

LD0101213695 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 1 Jan 95

[FBIS Translated Text] Not a single terrorist act clearly pointing to Chechen militants has been registered in Moscow. All incidents which have taken place in Moscow were ordinary crimes, the deputy head of Moscow's main internal affairs directorate has told Interfax. The federal counterintelligence service checked out reports alleging that special groups had arrived in Moscow to carry out terrorist acts against federal authorities. A top official in the Kremlin told Interfax that if such groups of militants really existed, it would have meant that the heads of services who allowed so many terrorists to come to Russia and its capital were not doing their job properly.

Council Members Urge Meeting on Chechnya

LD3012163694 Moscow INTERFAX in English 1525 GMT 30 Dec 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov and Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] MOSCOW, Dec 30 (Interfax) - A member of Russia's Presidential Council has confirmed that eight council members have asked President Boris Yeltsin to call an urgent council meeting.

"We have asked the president to hear our opinions on the events in Chechnya," Leonid Smirnyagin told Interfax on Friday.

He said different council members had different views on the Chechen conflict and suggested different solutions to it. "But the issue is not whether or not force should be used in Chechnya but how it should be used," he said.

Some council members disagree with the bombing of Groznyy, Smirnyagin said. The latest events, on which "extremely contradictory" reports have been coming in, "make them feel very diffident" and have brought them to "the point of resignation." "But they can't go without taking the last chance to influence the events - meeting the president," Smirnyagin said.

"All this time the president has had excessively optimistic sources of information," he said.

The eight members' request went into the president's office on Wednesday, but no reply has come yet, Smirnyagin said.

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Press Chief on Losses in New Year's Attack

LD0201142595 Moscow Radiostantsiya Ekho Moskvy in Russian 1400 GMT 2 Jan 95

[FBIS Translated Text] The Russian Army lost men and equipment during its New Year attack on Groznyy, Valentin Sergeyev, head of the government press service, told our radio station.

According to the CHECHPRESS agency, Russian troops lost 600 men, 100 were injured, and 300 have surrendered and been taken prisoner. [sentence indistinct]

Rybkin Urges Sides 'To Lay Down Arms'

LD0201162295 Moscow ITAR-TASS World Service in Russian 1520 GMT 2 Jan 95

[By ITAR-TASS observer Tamara Zamyatina]

[FBIS Translated Text] Moscow, 2 Jan—Today State Duma Speaker Ivan Rybkin, in an interview to ITAR-TASS observer Tamara Zamyatina, called on the Russian Army in Chechnya "to hold their fire, and for the Chechen side to lay down their arms and begin talks."

Answering a question on whether the State Duma speaker is ready to call a plenary sitting of the lower chamber of parliament to stop the war in Chechnya—as demanded by deputies Viktor Sheynis, Lev Ponomarev, and Gleb Yakunin, who retured today from Groznyy—Ivan Rybkin admitted that, "according to the Russian Constitution, the State Duma cannot stop the escalation of combat actions in Chechnya, because questions of war and peace are within the competence of the Federation Council." At the same time, he expressed the hope that the tripartite parliamentary observation commission headed by Valentin Kovalev will give its opinion on halting combat actions in Chechnya.

"I want to express great gratitude to Sergey Kovalev, Russia's human rights representative in Chechnya, but I myself have to act within the framework of the Constitution," Ivan Rybkin stressed.

At the same time, the State Duma chairman stated that at the next sitting of the Security Council he will call on its members to use political methods to determine the status of the Chechen Republic.

Ivan Rybkin stressed that Chechnya is "a cesspool where criminal elements who have nothing to lose from all the CIS countries accumulate." He proposed that the Russian politicians make a choice—to let "3,000 criminals get out of Chechnya," or to disarm them at the cost of thousands of lives of perfectly innocent citizens of the Chechen Republic.

Defense Ministry Denies Groznyy Death Toll

LD0301121495 Moscow 2x2 Television in Russian 1100 GMT 3 Jan 95

[FBIS Translated Text] Interfax reports that a representative of the Russian Defense Ministry categorically denied Groznyy's claims that 600 Russian servicemen had been killed and hundreds more captured as a result of recent clashes. The representative has failed to confirm reports saying that preparations are under way for another assault on Groznyy, in which several hundreds of units of armored equipment will be used.

Chechen on Russian Troops Routed From Groznyy

AU0201105195 Paris AFP in English 1035 GMT 2 Jan 95

[FBIS Transcribed Text] Groznyy, Russia, Jan 2 (AFP)—Russian forces have been routed from Groznyy by Chechen independence forces, Colonel Aslan Moshadov, commander in chief of Chechen armed forces told AFP Monday.

"There are now no real Russian armed groups operating in Groznyy," he said at the presidental palace in the capital of the rebel republic.

A massive Russian force of tanks and armoured cars stormed Groznyy on Saturday but failed to take the centre after fierce resistance by Chechen soldiers.

Government Denies Chechenpress Fighting Reports

LD0201172995 Moscow Mayak Radio Network in Russian 1630 GMT 2 Jan 95

[Report by Vladimir Pasko]

[FBIS Translated Text] Information from the press service of the Russian government opens this bulletin. Over to our special correspondent Vladimir Pasko:

[Pasko] Good evening, esteemed listeners! The command of the Federal troops denies reports on the situation in Groznyy circulated by Chechenpress. Asked by INTERFAX, [Valentin] Sergeyev, head of the press service of the Russian government, checked out a report on the latest developments in Groznyy which was circulated on Monday by Chechenpress. According to the command of the federal troops, several dozen units of armored equipment were set on fire when subunits entered Groznyy. It is not home guards who are resisting the Russian troops, but professional mercenaries. They use artillery, Grad launchers, and grenade-throwers. The military equipment is fired at from windows of blocks of apartments and it is extremely difficult to establish where those shots are actually coming from.

According to military sources, neither marines nor special subunits have taken part in the Groznyy operation. Reports alleging that a great number of Russian servicemen were captured during the operation do not correspond to reality. Some of them were captured by Dudayev's supporters, but they were mostly those who had been wounded in the clashes. It is true that the Russian troops lost some servicemen in the past few days, but not as many as Chechenpress has claimed.

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Military experts say that the Russian troops' losses could have been higher considering the scale of the operation.

Sergeyev denied that the military headquarters and an airport in Mozdok were shelled by Dudayev's most devoted units of home guards. No such thing has ever happened, he stressed.

Government on Chemical Weapons Use

LD0101182795 Moscow ITAR-TASS in English 1810 GMT 1 Jan 95

[FBIS Transcribed Text] Moscow January 1—The Russian Government press service said on Sunday that Dudayev's militants used chemical weapons against Russian federal troops pouring in the capital of the breakaway republic of Chechnya. Casualties both among military and civilians were reported, the press service said referring to the Russian federal troops command in Chechnya.

Follows the text of the message TASS received on Sunday from the Russian Government press service:

"The federal troops command reports from Mozdok and Groznyy that bandit units, under direct order of Dudayev, applied on Saturday night radiocontrolled mines against federal troops approaching Groznyy and its suburbs to perform the task of disarming illegal armed formations. Upon a mine explosion, forty kilogramme containers, placed below the ground and filled with chlorine, blow up by radio signal. This has brought casualties among the military and civil population.

"Military experts consider this to be a criminal fact of use of chemical weapons, which has been unprecedented since the First World War. Just the same is the experts' understanding of facts reported from several highway fragments near Groznyy, where hydrocyanic acid was spilt on Saturday by Dudayev's militants. Due to measures taken by chemical protection units, fatal consequences of this barbarous action have been prevented."

On Groznyy Situation, Weapons

LD0201191795 Moscow ITAR-TASS World Service in Russian 1828 GMT 2 Jan 95

[FBIS Translated Text] Moscow, 2 Jan—The press service of the Russian Federation government circulated the following report today: "According to information received from the Command of federal troops in Groznyy, the situation was tense today. Internal troops subunits of the Russian Interior and Defense Ministries continue to control the town center and adjacent areas. The presidential palace, the railway station, and many administrative buildings are under control.

Illegal armed formations, often wearing uniforms of Russian servicemen, carry out attacks on federal troops subunits and fire upon armored vehicles from the windows of multi-storey residential buildings. The Command has made relevant corrections to the actions of federal troops as a result of which the activity of illegal armed formations abated by the end of the day and the fighters suffered large losses.

The federal troops carried out a regrouping of forces and hardware, and new units of internal troops and the Defense Ministry entered the town. Fortified strongpoints have been built in the town center, and conditions allowing personnel to rest and eat have been created. According to the Command's report, all servicemen are deeply indignant about the fact that the fighters are using chlorine and hydrocyanic acid, something which specialists view as the use of chemical weapons. As a result, eight servicemen and several civilians have died. Specialists from chemical troops and medics have registered this fact in documents. The documents will be submitted to the press to familiarize the Russian and international public."

Fuel Companies Donate Money for Conflict Victims

LD3012164494 Moscow ITAR-TASS in English 1604 GMT 30 Dec 94

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow December 30 TASS—Major companies of the Russian fuel and energy complex have decided to donate money to the special account of the Russian Ministry for Affairs of Nationalities and Regional Policy and help victims of the Chechen conflict, First Deputy Russian Fuel and Energy Minister Vladimir Kostyunin told ITAR-TASS today.

In his words, the proposal to help the conflict victims has been actively supported by Gazprom, Rosugol, the Russian Single Energy System, Lukoil, Sindanko and others. The money is expected to be used for purchases of foodstuffs, medicines and other necessities.

Commission on Humanitarian Aid to Chechnya

LD0201143995 Moscow ITAR-TASS in English 1426 GMT 2 Jan 95

[FBIS Transcribed Text] Moscow January 2 TASS—Russia's Commission for Human Rights and Civil Liberties in Chechnya discussed the situation in the Chechen Republic on Monday.

The members of the commission headed by Valentin Kovalyov, deputy State Duma chairman, also discussed humanitarian aid to the republic, including food and medicines.

Control over the delivery of relief supplies to the conflict zone will be exercised by the social and economic sub-commission, the press service of the State Duma said in a statement on Monday.

The participants in "the session of the commission discussed a complex of political and humanitarian actions to free Russian servicemen captured during the

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operation to restore constitutional order on the territory of the Chechen Republic," the statement said.

The commission has decided to set up a network of offices in the conflict zone. To this end, representatives of the legal, military, and social and economic subcommissions will be sent to the republic to study the situation on the ground and carry out preparatory work, the statement said.

Ministry Sends 17 Tonnes of Medical Aid

LD0201125395 Moscow ITAR-TASS in English 1228 GMT 2 Jan 95

[FBIS Transcribed Text] Moscow January 2 TASS—Seventeen tonnes of medical equipment was shipped to Chechnya and medical aid was administered to 296 patients, including 172 wounded and 124 patients since the beginning of armed action there, according to a report received by ITAR-TASS from the Russian Health and Medical Industry Ministry today.

The document stated that two 190-bed module hospitals are currenctly functioning in the area of conflict. Medical aid is also being provided in clinics and disease-prevention establishments in Mozdok, Nazran, Vladikavkaz and Makhachkala, as well as large cossack villages of Znamenskaya and Ordjonikidjevskaya, where 1,700 beds have been provided.

Thirty medical establishments in the Rostov, Samara, Volgograd, Astrakhan, Saratov, Krasnodar and Stavropol territories with 177 specialized medical teams are standing by in a state of operational readiness.

Thirteen reception and evacuee centres have been opened in Dagestan, Ingushetia, the Stavropol territory and North Ossetia for meeting the main inflow of refugees in these places.

According to the Health Ministry, six tonnes of medical equipment to be urgently shipped to Groznyy and another 3.5 tonnes in reserve in Mozdok is currently being kept ready.

Government Continues Emergency Aid Supplies

LD0301121895 Moscow ITAR-TASS in English 1147 GMT 3 Jan 95

[FBIS Transcribed Text] Moscow January 3 TASS—Russian Federal Government keeps on delivering emergency humanitarian supplies to civil population of Chechnya.

By now, a total of 2,124 tonnes of humanitarian supplies has been delivered to Mozdok by plane, by train and by car to Mozdok in North Ossetia. A total of 353 assembling cottages were also delivered there, a spokesman for the Russian Ministry for Emergency Situations told ITAR-TASS on Tuesday.

The Menatep Bank joined efforts with three other Russia's leading commercial banks: Stolichnyy, Inkombank and Olbiy Diplomat, and the Central Taxation Inspectorate to put together and deliver 30,000 Christmas presents (the Russian Orthodox church keeps to the old style, that is why Christmas is celebrated here on January 7) to Chechnya on January 4 through 7.

All in all, 48,552 refugees registered with the Federal Migration Service of Russia, the spokesman said.

The Ministry for Emergency Situations set up an operations headquarters and four task forces in the cities of Nazran, Mozdok, Stavropol and Makhachkala, which were charged with coordinating the ministry's humanitarian support operations in Chechnya, the spokesman added.

Deputy Russian minister for emergency situations is at the head of the ministry's territorial division which coordinates activities of various Russian ministries and government departments aimed at restoring the destroyed economic entities in Chechnya.

A 17-member group of the ministry's officers are ready to set about distributing the humanitarian supplies to the people of Chechnya together with local commissions.

Five mobile task forces were formed to perform restoration operations at oil refineries and other chemical and industrial enterprises which were reportedly seriously damaged during the conflict.

Yevtushenko Rejects Award in Chechnya Protest

MM0201125395 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Dec 94 p 1

[Unattributed report: "Yevtushenko Refuses Order"]

[FBIS Translated Text] The poet Yevgeniy Yevtushenko yesterday refused to accept the Order of the Peoples' Friendship. He explained that his refusal was due to his disagreement with the Kremlin leadership's policy over Chechnya and the Chechen people, which has to all intents and purposes put paid to friendship among the peoples.

According to information at our disposal, a considerable number of the creative scientific intelligentsia, as well as the military, have turned down traditional state awards.

Press Official Receives Injuries in Conflict

LD0201163595 Moscow ITAR-TASS in English 1624 GMT 2 Jan 95

[FBIS Transcribed Text] Moscow January 2 TASS—Valeriy Grishin, head of the advance group of the Russian Government Press Service, was hospitalised with brain concussion in Groznyy on January 1, 1995.

Russian Government Spokesman Valentin Sergeyev said on Monday that Grishin is in a satisfactory condition now and will be recalled to Moscow after he has recovered.

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Sergeyev said that a group of journalists will fly to the conflict zone on January 3. The group will include correspondents of the ITAR-TASS and INTEFRAX news agencies, the television companies Ostankino and NTV, and Russian Television.

Speaking about the details of the death of Vladimir Zhitarenko, special correspondent of the military daily KRASNAYA ZVEZDA (RED STAR), in Chechnya, Sergeyev said that the journalist's body was found at 1:20 on January 1 about 1.5 kilometers from Groznyy. He expressed condolences to Zhitarenko's family and next of kin.

Sergeyev pointed out that three foreign journalists—BBC producer Kate Peters and her two Australian colleagues, Drews and Lidgerwood—detained near the village of Tolstoy-Yurt on January 1 when they tried to enter the area controlled by the Russian troops have been released.

Journalist Killed on New Year's Eve

LD0201091195 Moscow ITAR-TASS World Service in Russian 0845 GMT 2 Jan 95

[By ITAR-TASS correspondent Mikhail Karlov]

[FBIS Translated Text] Mozdok, 2 Jan—Vladimir Zhitolenko, special correspondent for the military newspaper KRASNAYA ZVEZDA, was killed on the night of 31 December-1 January in Chechnya while performing his duties, the ITAR-TASS correspondent learned from military sources in Mozdok in North Ossetia.

FCS on Journalists Who Receive Chechen Money

MM3012151794 Moscow IZVESTIYA in Russian 30 Dec 94 p 2

[Report by Igor Korolkov: "Thinking Differently to the Authorities Does Not Mean Being Corrupt"]

[FBIS Translated Text] In his address to the people in connection with the situation in Chechnya President B. Yeltsin reported that he knows that a number of mass media are functioning not without the involvement of Chechen money. In other words, it is a question of their simply having been bought by Dudayev.

Of course, such a statement could leave anyone indifferent in the very medium of journalism. The Russian Journalists Union, the Committee for the Defense of Free Speech and Journalists' Rights, the Glasnost Defense Fund, and the chief editors of a number of major newspapers have sent Yeltsin a letter. It states, in particular: "We earnestly beg you to instruct the appropriate services which have provided you with information on corrupt journalists to report it also to us and to make it available to public opinion. We see no grounds for anyone to conceal these names; moreover, this must be done urgently not only in the name of the prestige of the Russian press itself, not only in the name of the prestige of the special services, but also in the name of the prestige of the president, who 'gave voice' to this rebuke which shames us and our colleagues."

Security Council Secretary Oleg Lobov swept aside journalists' suspicions that it was the Security Council apparatus that provided the head of state with information which enabled him to make such an allegation. The president has "other sources of information," O. Lobov commented.

Replying to journalists' questions the same day, Aleksandr Mikhaylov, chief of the Federal Counterintelligence Service [FCS] Public Relations Center, promised to name specific facts "after receiving the appropriate corroborative documents."

Whereas Lobov denied that his service had supplied the president with information establishing the guilt of the mass media, A. Mikhaylov essentially admitted that that information had come from the FCS. The information was not based on documents. Then a natural question arises: Should they not first have acquired proof and only then accused journalists of unscrupulousness, not vice versa?

The authorities' actions are understandable: They are irritated by the mass media's rare unanimity in their assessment of the events in Chechnya. Their awkward position has to be explained somehow to the Russians. The methods used here come from the arsenals of a past which is well known to us.

Muscovites Trust NTV Reports on Chechnya Most

MK2912112594 Moscow KURANTY in Russian 29 Dec 94 p 1

[Unattributed report under the "Social Barometer" rubric: "Who Tells the Truth"]

[FBIS Translated Text] The All-Russia Center for the Study of Public Opinion conducted, between 24 and 26 December, a flash poll among 1,595 Muscovites on trusting television news programs. Their replies (in percentages) to the question "Reports of which television news programs on developments in Chechnya do you trust most?" are as follows:

NTV News	31
"Vesti"	20
News of "Ostankino"/"Vremya"	16
"Vremechko"	11
"Itogi"	11
"2x2" News	10
"Namedni"	5
Other	3
None	15
Hard to say	14

NTV Introduces Satellite Re-Transmitters

LD3012185094 Moscow NTV in Russian 1600 GMT 30 Dec 94

[By correspondents Aleksandr Gerasimov and Oleg Chupin, NTV]

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[FBIS Translated Text] [Correspondent Aleksandr Gerasimov] As of today potential viewers of our television company have reached 100 million people. Apart from European Russia regions, NTV programs can now be transmitted to East and West Siberia, the Altay kray, Kazakhstan, East Ukraine, Belorussia [Belarus], and the Baltics. This will be the exact diagram of the area covered by Gorizont satellite re-transmitter, which is bringing about the expansion of NTV. However, at the initial stage a number of viewers falling within the area covered by the satellite will not be able to watch our programs because in order to receive satellite signals one needs a special infrastructure on the ground, which for the time being can only be found in some of the regions' centers. But the receivers in Krasnoyarsk and Irkutsk will receive our pictures as early as today.

In the next two weeks, after the installation stage is completed, NTV will be seen on television screens of many of the Russian northern towns—from Murmansk to Norilsk. In future, all 100 million of our potential viewers will become a reality. For comparison I can tell you that Ostankino Television Company has 126 million viewers. In our choice of the Gorizont satellite re-transmitter we were guided by economic possibilities for the people to receive the signal. In order to see the picture carried by the Gorizont one needs large professional aerials and powerful regional transmitters. They will be built by our television company because only very few citizens of the former USSR are able to buy their own satellite dishes to watch our programs individually. And those 60 million people for whom our programs have become part of their lives will continue to receive the NTV channel via traditional ground transmitters.

The NTV television company has found it possible to expand its broadcast area owing to the efforts by experts from Russian Ministry of Communications, Rostelekom, and Kosmos 10 joint-stock companies, and the Kosmicheskaya Svyaz [Space Communications] state enterprise.

Economic Issues

Yeltsin Issues Decree on Agricultural Debts

MM0301113195 Moscow SELSKAYA ZHIZN in Russian 31 Dec 94 p 1

[Edict No. 2218 of the Russian Federation president, signed by President B. Yeltsin and dated Moscow, The Kremlin, 29 December 1994: "On Restructuring the Debts of Agro-Industrial Complex Enterprises and Organizations Under Central Credits Issued in 1993-1994"]

[FBIS Translated Text] For the purpose of stabilizing the financial situation of agro-industrial complex enterprises and organizations, I decree:

1. The Russian Federation Ministry of Finance and the Central Bank of the Russian Federation are to restructure in December 1994 the debts of agricultural commodity producers in all forms of ownership; of enterprises and organizations for the primary processing of flax and wool, the maintenance of land reclamation systems and agricultural equipment, and the material and technical supply of agro-industrial complex enterprises; of rural construction enterprises and organizations engaged in the construction of agro-industrial complex facilities; and of consumer cooperative retail trade enterprises in rural localities, which have no sources for repayment of central credits issued in 1993-1994 and due for repayment in the current year, up to a total of 5.6 trillion rubles [R] owed by the aforementioned enterprises and organizations to the Russian Federation Ministry of Finance, in coordination with them and under relevant guarantees from Russian Federation components, so that these debts can be repaid in equal installments over a 10-year period beginning in 1995 subject to payment of 10 percent annual interest.

The aforementioned debts will be transferred to the Russian Federation's domestic state debt within the limits of its ceiling established by the Federal Law "On the 1994 Federal Budget" via the issuance of bills of exchange by the Russian Federation Ministry of Finance and the Central Bank of the Russian Federation, payable in equal installments over a 10-year period subject to payment of 10 percent annual interest.

2. Enterprises and organizations which have restructured their debts in accordance with Point 1 of this edict will implement measures to seek and find sources for the prompt repayment of their debts to the Russian Federation Ministry of Finance and the payment of interest on these debts.

3. The Russian Federation Ministry of Finance will channel funds totaling R3 trillion from appropriations envisaged in the 1994 federal budget for state investments in the agro-industrial complex (including repayable funding) and through the formation of a leasing fund for the sale of agricultural equipment and a federal fund for financial support for the most important sectors of the national economy, to be used to repay interest charges accrued in 1994 on central credits issued in 1993-1994 to agricultural commodity producers in all forms of ownership, including fur-farming, bee-keeping, fish-farming, peasant (private), and instructional-experimental farms.

4. The Central Bank of the Russian Federation is instructed to defer until 1 October 1995 the payment of interest accrued on central credits issued in 1993-1994 to agricultural commodity producers in all forms of ownership, including fur-farming, bee-keeping, fish-farming, peasant (private), and instructional-experimental farms, which had earlier benefited from deferment of interest payments under Russian Federation Government decrees.

Commercial banks are instructed to ensure that payment of the deferred interest on credits is called within the deadlines set by this edict.

5. The Russian Federation Ministry of Finance and the Russian Federation State Tax Service are to ensure the

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monitoring of the prompt and full payment of interest on debts owed to the Russian Federation Ministry of Finance by agricultural commodity producers in all forms of ownership, including fur-farming, bee-keeping, fish-farming, peasant (private), and instructional-experimental farms whose financial situation enables them to pay more than 50 percent of the total interest accrued in 1994 by 1 October 1995.

In the event that agricultural commodity producers in all forms of ownership, including fur-farming, bee-keeping, fish-farming, peasant (private), and instructional-experimental farms fail to promptly channel their own funds into repayment of interest due on central credits and owed to the Russian Federation Ministry of Finance, the total current financing of aforementioned enterprises and organizations from the 1995 federal budget will be reduced. The aforementioned reduction will not apply to peasant (private) farms or to farming associations and partnerships formed as a result of the reorganization of kolkhozes and sovkhozes, whose members will have, by 1 October 1995, properly formulated titles to their share of property and equipment being the property of reorganized agricultural enterprises.

6. This edict comes into force the day it is signed.

[signed] Russian Federation President B. Yeltsin

[dated] Moscow, The Kremlin, 29 December 1994

No. 2218

Soskovets Reviews Reform Issues

LD0101183095 Moscow ITAR-TASS World Service in Russian 0606 GMT 1 Jan 95

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Excerpt] Moscow, 1 Jan—Oleg Soskovets, first deputy prime minister of the Russian Federation, says that Russian society has passed through the stage of radical economic reform, which started with price liberalization, the opening up of the economy, and the toughening of financial and credit policy. [passage omitted]

The first deputy prime minister says that the main problem in the current phase of reform is the structural crisis, which is making itself felt most of all in branches of the manufacturing industry, especially those producing value-added goods and science-based and high technology goods. The recession is noticeably less marked in the primary sector, where, due to the export opportunities, demand is more reliable.

Oleg Soskovets says the demand for investments to reimburse and replenish production funds has increased sharply, all the more so since the country has been facing an investment famine for several years now. In the current situation, he says, the increase in the use of investments is part of a natural endeavor to maintain people's living standards in a period of crisis, but basic capital can be eaten up and structural changes to the economy frozen if the process is dragged out. He stressed that "the problem of reducing production costs and increasing the competitiveness of industrial goods should provide a major boost to effective investment in production."

Chubays Discusses 'Facts'

LD3112190294 Moscow Mayak Radio Network in Russian 1611 GMT 31 Dec 94

[Interview With Anatoliy Chubays, first deputy prime minister, by unidentified correspondent—recorded]

[FBIS Translated Excerpt] [Correspondent] Anatoliy Borisovich, for almost all of last year, you were convincing us, journalists and millions of radio listeners, that the main thing for our economy at present is a tough budget and giving up inflation. One must say you have succeeded in convincing us and millions of people. Moreover, you even succeeded in convincing the Duma. And now, a week before the New Year, there are surprises: a sharp increase in food prices, a war in Chechnya—and no one knows how much it is going to cost us—inflation is going up, the ruble is dropping further every day. They even say now that the construction of the Moscow underground will not continue. Does this mean 1995 will be the same as 1994 and there is nothing we can hope for?

[Chubays] Before getting into a sad mood, let us have a look at the facts. I agree the end of the year was worse than we had expected. It is true. But let us have a look at the whole truth. What happened to inflation in general in 1994? For the sake of argument, I will compare it with 1993. The figures show that on average, monthly inflation in 1994—December is coming to an end and soon exact figures will be available—was about 11 percent a month. Let me remind you, on average, inflation in 1993 was twice as high. It means that, in spite of all our so-called not-decisive-enough measures, in spite of all the complicated events recently, inflation dropped by 50 percent last year, compared with 1993.

Of course, Black Tuesday in October and the events which followed undoubtedly hit the prices hard. By the way, it is now, at the end of November, in December, and also in January, that we will feel the echo of that event. To all appearances, the price rises in December will be high. Many people justifiably complain about this. We expect the December index to be about 16 percent. Unfortunately, it will not be possible to change the situation for the better in January. It will still be far from ideal. But it is well known that in an economy of our size, there can be no immediate results. For example, the October Black Tuesday affected the prices three months later, in December.

The same applies to the measures we are implementing now—and believe me, in the last six weeks, a whole number of very deep measures was taken directed at

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achieving the objective we were talking about all year. We expect to see the effect of these measures in mid-February next year. Only then will it be possible to say whether what we have planned and what we are doing now is working or not.

For the time being, the budget has been approved. This is already good. It is something like a first step. In the first reading, it was nevertheless adopted.

As for prices going down in a real economy, I would like to repeat again, we expect them to start going down in February next year.

[Correspondent] Anatoliy Borisovich, still, what is going to happen in 1995? People are expecting all sorts of forecasts—fortune-tellers as well as leading economists and politicians talk about this. Could we have your brief forecast for 1995?

[Chubays] You know, I have two forecasts and they vary greatly. The thing is, in my understanding, no average option, so to speak, no fifty-fifty option is left for us in 1995. We will either have an option when we fail to resolve the main tasks laid down in the budget and this would unavoidably result in price rises, very steep price rises. This would also mean that the situation when the rich become richer and the poor become poorer will continue. This would also mean an absence of real private investments and all other negative processes, which we already know too well.

Or the second option, the second option on which we are currently working and which I meant when I mentioned the date of mid-February. Under the second option, we would succeed in controlling the prices and stopping their growth. We would indeed succeed in ensuring that the amount of private investments in the domestic economy sharply increases, both from inside and outside the country. And when there are investments, there is production. And when there is production, there are products. And when there are products, there is a normal restoration of the economy.

I would like to repeat again, I believe there are two forecasts, or two scenarios. Whether we will succeed in implementing what we are working on now will be clear by mid-February.

[Correspondent] Do you mean the Duma decision on the budget?

[Chubays] Yes, I mean the Duma decision on the budget, above all, but not only that. Apart from the budget, the economic and financial measures which we are preparing now and which have already been adopted or are about to be adopted in the next six weeks are certainly important. [passage omitted]

Statistics Committee Gives 1994 Results

LD3112231994 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 31 Dec 94

[FBIS Translated Text] Russia's State Statistics Committee has issued a report on the results of 1994. According to it, the share of private sector in trade is gradually increasing. The results of the past few months show that private shops accounted for 74 percent of retail trade turnover. In 1993, this figure was just 55 percent. In Moscow and some other regions of the country, the share of private shops was 90 percent.

In 1994, the residents of the Russian Federation consumed less meat and dairy products. On average, each resident consumed 59 kg of meat and 294 kg of milk and dairy products, which is about 87 percent on 1993. The consumption of potatoes increased to 123 kg per capita; sugar and sweets, to 32 kg; bread and bread products, to 110 kg, which is 10-25 percent more than in 1993.

In 1994, two-thirds of the population had incomes below average. The average wage in December was $100, based on the Moscow currency exchange rates.

Russia's internal affairs bodies registered a 4 percent drop in crime rate. A total of 2.4 million crimes were committed in 1994.

According to the State Statistics Committee, 148.2 million people will be living in Russia by the beginning of 1995.

Military Issues

General Vorobev on Defense Budget

LD0101155495 Moscow INTERFAX in English 1409 GMT 1 Jan 95

[FBIS Transcribed Text] Moscow, Jan 1 (INTERFAX)—The defense budget of 44 trillion rubles proposed for 1995 fails to meet even a minimum of needs of the Russian Army and fleet, Chief of the Main Department on Military Budget and Financing the Defense Ministry, Colonel-General Vasiliy Vorobev.

He told Interfax that the budget for 1995 must define the present and future position of the Armed Forces.

Vorobev said that due to the measures taken by the Defense Ministry military expenditure in 1994-1995 would decrease by 4 trillion rubles. He said that, however, decrease in military expenditure could not be due only to a radical reduction of the number of the army. He said this could only make things worse as this would require more financial funds, stimulate migration of servicemen and aggravate the social tension.

Commenting on the results of 1994, Vorobev said that the debt of the state to the army was 13 trillion rubles out of 37.7 trillion rubles fixed in the law on budget. He said as a result of this the debt of the Defense Industry to producers for military needs was 7.8 trillion rubles.

Vorobev said the money assigned to the army and fleet could only cover payment of wages. As a result of financial shortages oil refineries have practically stopped supplying the army with petrol and diesel fuel. Many

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military airports have no more aviation kerosene. The army's needs in coal are satisfied only for 54 percent.

Vorobev said the defense industry was not profitable as a result of "orders for armaments lower that the minimum technological level."

He said the state had failed to build enough living space for servicemen as the program had been financed by less than a half of the sum fixed in the law. He said there were about 130,000 servicemen without apartments in Russia in the beginning of 1995.

Federal Assembly

Duma Deputies Appeal to Yeltsin From 'a Groznyy Bunker'

LD3112194894 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 31 Dec 94

[FBIS Translated Text] Thanks to our colleagues from Radio Liberty, today we managed to obtain the text of an appeal to Russian President Boris Yeltsin by deputies of the State Duma who are currently staying in a Groznyy bunker. Aleksandr Klimov has the details:

[Klimov] Eight deputies of the Federal Assembly, including Sergey Kovalev, Gleb Yakunin, Anatoliy Shabad, and Viktor Kurochkin, are appealing to the president as those who, together with him, defended Russia's democracy in 1991. We are no supporters of Dudayev, the appeal says, and we are against the war. And you—however unpleasant it may be for us to acknowledge it—are in charge of everything that is going on here today—end of quotation.

The deputies have advised Yeltsin on New Year's eve to bear in mind that it is never too late to stop and come to one's senses. They are also demanding that the bloodshed be immediately stopped.

Duma Committee Chairman Accuses West of Double Standards

TA0101145895 Jerusalem Qol Yisra'el in Hebrew 1305 GMT 1 Jan 95

[Telephone interview with Sergey Yushenkov, chairman of Russian Parliament's Defense Committee, in Moscow, by Isabella Ginor on the daily "Foreign Affairs Newsreel;" date not given; recorded in Russian with passage-by-passage translation into Hebrew; translated from the Hebrew]

[FBIS Translated Excerpt] Yushenkov says the Duma will not reconvene before mid-January, but when it does, it will initiate several moves necessitated by the war in Chechnya. He says: We intend to introduce several changes in the Russian Constitution, such as giving parliament greater supervisory powers over the actions of the government and the Army. In addition, the parliament will try to pass a bill on financing in its present budget.

Yet even the Duma is hardly anxious about the wellbeing of its members, including Human Rights Commissioner Sergey Kovalev, who are still in Grozny. It should be noted that Kovalev was last seen inside Dudayev's bunker. Yushenkov says: As much as I am worried about their wellbeing, that is not our main concern. The main problem is that the administration has simply taken leave of its senses and is evidently preparing a scenario to escape the consequences of its criminal actions.

Yushenkov believes the administration is preparing the ground for a restoration of a police state, because in any other regime, someone would have to be held accountable for these deeds. To shun responsibility they will have to establish a police state over the entire territory of Russia. [passage omitted]

Oddly enough, Sergey Yushenkov believes that the Chechen war's impact on some parts of Russia cannot be predicted. He says he is not referring merely to the Muslim areas, in which isolationism will increase.

What is worse is that today Yeltsin's moves are supported only by fascists and their allies, Yushenkov adds. The tenets of fascist policy have been woven into the government's foreign and domestic policies. Unfortunately, this renders the parliament practically incapable of forcing the government and the president to abandon this policy.

Sergey Yushenkov, chairman of the Duma's Defense Committee, blames the West: We had great expectations from the international community, he says. We hoped the civilized states would not apply double standards to President Yeltsin's moves. Unfortunately, we were mistaken. In many respects, the crimes being perpetrated in Chechnya at this time have the tacit approval of the West, which is resolved to take the easy way out by not intervening in Russia's domestic affairs. Yet as he [not further specified] himself has always said and as the European security and cooperation agreements stipulate, the massive violation of human rights—and the situation is far worse than that—cannot be considered a domestic issue, Yushenkov said. Some day the West will pay for its shortsighted policy, but we, the Russian democrats, will be the first to pay, he concludes.

State Duma Session on Chechnya Likely 6 Jan

LD0301104895 Moscow Radiostantsiya Ekho Moskvy in Russian 1030 GMT 3 Jan 95

[FBIS Translated Text] A collection of signatures is currently under way at the State Duma in support of the demand to convene an extraordinary session of the lower chamber to discuss the situation in Chechnya. Representatives of the main factions have already agreed in principle to hold a sitting on Friday, 6 January.

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Regional Affairs

Daghestan Leader on Chechnya Support Leaflets

LD3012192194 Moscow ITAR-TASS in English 1914 GMT 30 Dec 94

[By ITAR-TASS correspondent Gadzhi Shamov]

[FBIS Transcribed Text] Makhachkala December 30 TASS—Chairman of the Daghestan State Council Magomed-Ali Magomedov estimated leaflets calling on Daghestan residents to arm on behalf of Dzhokhar Dudayev as a direct attempt to involve Daghestan in the military conflict [sentence as received]. The leaflets have recently appeared in some towns of Daghestan.

Speaking over the republican TV today, Magomedov said that such actions are inadmissible although it is unknown whether they are really spread by Dudayev.

Daghestan residents are doing their best to support the Chechen people in the time of trial, prevent the bloodshed and stop the escalation of combat operations, said Magomedov. Not a single soldier has come to Chechnya from Daghestan territory. Daghestan has welcomed refugees from Chechnya and rendered medical, humanitarian and other assistance to them.

At the same time, no one has the right to interfere in internal affairs of the republic and its relations with the Russian Federation, said Magomedov.

Dudayev Awaits Response From Moscow

LD3012195094 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 30 Dec 94

[FBIS Translated Excerpt] [Announcer] So far there has been no response from Moscow [to Dudayev's proposal for a new year cease-fire]. Meanwhile, an hour ago we received a telephonic report from Groznyy about continued bombings.

[Begin Colonel Amadov recording] Airplanes are dropping bombs in the suburbs. As for the storming, we cannot wait, so that we can bash their faces in. Colonel Amadov, head of the special department of the Interior Ministry. [end recording] [passage omitted]

[Announcer] In addition, we receive continuing reports of large numbers of killed and wounded among the civilian population, as well as among Russian servicemen.

Dudayev Accepts Any Condition Except Disarmament

LD3012202194 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 30 Dec 94

[From the "Vremya" newscast]

[FBIS Translated Text] We have just received a report from our special correspondents in Groznyy.

[Grigoriy Brynza] Oil installations in the vicinity of (Karpinskiye Heights)—in the southwestern part of the town—are in flames as a result of being fired upon. Oil from damaged tanks is forming whole rivers and is also ablaze. There isn't anyone to put the fire out—or anything with which to put it out.

In an interview for Ostankino Television Company, Dzkhokhar Dudayev noted that today he sent a telegram to Boris Yeltsin calling for talks to be resumed on any conditions—except for one—the disarmament of the Chechen people.

Dudayev Appeals to U.S., West Over Oil Fires

LD3012200294 Moscow ITAR-TASS in English 1929 GMT 30 Dec 94

[FBIS Transcribed Text] Groznyy, Dec 30 (Interfax)—Sources close to Dzhokhar Dudayev told Interfax that Dudayev had urged the U.S., European countries and oil extracting Arab countries to provide "urgent assistance" for fighting with fire on an oil refinery near Groznyy.

The Chechen Foreign Ministry addressed U.S. President Bill Clinton, the governments of European, Islamic and Arab countries stressing that the fire could provoke a large environmental disaster. The appeal was signed by Dudayev.

The appeal said that smoke was spreading on Chechen territory and in the neighboring North Caucasian regions. The appeal said that the oil and gas pipelines had been seriously affected. "Oil is spilling. The neighboring storages with about 5000 tonnes of ammonia could catch fire. However, the continuing fighting does not let begin fighting with fire," the appeal said.

Earlier on the same day, experts of the chemical protection troops of the Russian Ministry for Emergencies told Interfax that there would be no environmental disaster even if the worst happened and the storages with ammonia were blown up.

Russian official military sources said that only the places gathering bandit formations had been subjected to fire today. The same sources stressed that none of oil or other facilities had been subjected to fire on Friday.

Interfax learned that Chairman of the Chechen Parliament Akhiad Idigov had urged the "parliaments and the peoples of the world" to influence the Russian leaders in order to put an end to military actions in Chechnya.

Oil Fire Spreads

LD3112143894 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 31 Dec 94

[FBIS Translated Excerpt] The fire at the oil refinery in a Groznyy suburb is continuing. POSTFACTUM correspondent Danila Galperovich reports:

[Galperovich] An extensive fire is continuing. Four oil tanks are on fire and already at this point one could

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speak in terms of a potentially huge ecological disaster. Burning oil is spreading over the ground; this oil was stored in the tanks after primary processing, and it is now approaching some tanks located further down. It can be said with confidence that the fire is not going to stop and that the ammonia tanks situated nearby could explode very soon. [passage omitted]

Fire Reports Dismissed as 'False'

LD3112154494 Moscow INTERFAX in English 1514 GMT 31 Dec 94

[FBIS Transcribed Text] Moscow, Dec. 31 (INTERFAX) - Russia's Federal Counterintelligence Service [FSK] dismisses as false reports that Russian bombs caused the fire at an oil refinery near Groznyy.

Friday evening the Counterintelligence Service handed over to Interfax the text of an official statement that accuses Dudayev forces of digging trenches, filling them with oil and setting them afire. The burning oil in those trenches is what produces the impression of a large-scale fire at the oil refinery, the Russian Counterintelligence Service says.

According to the Russian special services, many industrial facilities of Groznyy, including facilities of the oil industry, have been mined by Dudayev forces. "Special elements of the Russian Defense Ministry and Federal Counterintelligence Service are taking action to avert acts of sabotage at the industrial facilities of Groznyy, in particular those whose technological process presents a potential threat to the environment," the FSK statement says.

In the Service's view, the Groznyy Administration is playing up the refinery fire "to make the world believe there is a threat to the environment and to blame the threat on the Russian bombing raids." In fact, the Service says, there is no threat to the environment and the refinery has never been bombed.

FSK Asserts Dudayev Supporters Set Fire

LD3012205794 Moscow Russian Television Network in Russian 2000 GMT 30 Dec 94

[From the 'Vesti' newscast]

[FBIS Translated Text] The Federal Counterintelligence Service (FSK) has just released its own version of the Groznyy oil refinery fire. I stress, an official FSK statement given to the INTERFAX agency says that the assertion by a spokesman for Groznyy that the fire broke out as the result of a Russian air strike does not correspond to reality.

Referring to its own intelligence data, the FSK asserts that in actual fact supporters of Dudayev dug trenches around the oil refinery in the Groznyy suburbs, poured oil into the trenches and set them on fire, thus creating the illusion of mass combustion.

In the view of the FSK leadership, the basic aim of the campaign launched by the regime in Groznyy is to create the outward appearance of an ecological catastrophe. However, experts believe there is no such threat, just as there were no air strikes, the FSK statement says.

Dudayev Moves to Bunker After Palace Set Ablaze

LD3112104494 Moscow ITAR-TASS in English 1018 GMT 31 Dec 94

[By ITAR-TASS correspondents Sharip Asuyev, Nikolay Zagnoyko]

[FBIS Transcribed Text] Groznyy December 31 TASS—Suburbs of Groznyy, where, according to the existing information, Dudayev's forces are located, were against brought under fire today.

Objectives in the city itself, where armed units supposedly may be located, are also being shelled. Several buildings in the centre of the city, including the palace, which was Dudayev's residence, are on fire.

According to the sources close to Dudayev, he is now in a bunker together with a group of deputies to the State Duma, who arrived in Groznyy on Friday to see for themselves what is going on there.

Dudayev, Deputies Remain in Bunker

LD3112221694 Moscow Radiostantsiya Ekho Moskvy in Russian 2200 GMT 31 Dec 94

[FBIS Translated Text] We are getting conflicting reports from Groznyy. According to some information, fighting is continuing in the town. President Dudayev, members of his government, and the delegation of deputies from the Federal Assembly are still in a bunker in the presidential palace.

Tanks Surround Palace, Snipers Active

LD0101115595 Moscow Russian Television Network in Russian 1100 GMT 1 Jan 95

[From the "Vesti" newscast]

[FBIS Translated Text] According to the temporary information center and the AFP, fighting continued this morning in the Chechen capital Groznyy. Federal tanks have succeeded in seizing positions around the presidential palace, but most of the armor is located approximately 1.5km from Dudayev's residence.

In addition, snipers have dispersed all over the city center and are covering the streets by fire. It was difficult this morning to estimate the number of those killed in the hostilities, but according to eyewitnesses, many buildings have been destroyed in the center of Groznyy, including the Department of Security.

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Federal Troops Control Dudayev Palace, Other Buildings

LD0101143395 Moscow ITAR-TASS World Service in Russian 1345 GMT 1 Jan 95

[FBIS Translated Text] Moscow, 1 Jan (ITAR-TASS)—The Russian Government press service today sent ITAR-TASS the following report:

"It is reported by the Command of Interior Ministry and Defense Ministry units from Groznyy, that subunits of federal troops have today been continuing to carry out their tasks of disarming illegal armed formations and restoring constitutional order in the town and its surrounds.

"In central Groznyy the federal troops are in control of residential blocks, a number of administrative buildings, including the so-called 'presidential palace', the railway station, and adjoining tracks.

"Illegal armed formations, a large part of which are made up of foreign mercenaries, are continuing to put up tough resistance in a number of districts of the town. Centralized control of the combative detachments has been broken.

"Federal troops have prevented explosions at the Lenin oil refinery and the chemicals combine, and have taken control of them. A considerable quantity of petroleum products at a storage facility near the refinery, which had been ignited by combatants, has burned out, but the fire was successfully kept from affecting the remaining storage tanks. Because of unfavorable weather conditions, a considerable part of the town remains shrouded in smoke. No fresh fires have been registered. The opportunity has appeared, if need be, for the fire-fighting equipment of special subunits of the Russian Interior Ministry to be employed."

Radio Says Storming of Dudayev Residence Expected Soon

LD0201100895 Moscow Mayak Radio Network in Russian 0900 GMT 2 Jan 95

[FBIS Translated Text] Here is our correspondent Pavel Guskov with the latest information from the region [Northern Caucasus]. We're listening to you Pavel Borisovich.

[Guskov] Good afternoon. And a Happy New Year, once again! It's very difficult to obtain reports from Chechnya now but I have just met a Stavropol special-purpose militia detachment [OMON] group who were in that hot spot and have returned here to the town of Stavropol for a short while. They say it's their personal impression that there are practically no civilians left in the area of combat operations in the center of the town [Groznyy].

They claim that Dudayev's entourage is now composed of criminals for whom there is no other way out than to defend themselves to the end.

These staff members say it will be mainly Vityaz Division subunits and OMON subunits that will be involved in the storming of Dzhokhar Dudayev's residence in the center of the town, and they think this has begun or will begin soon.

Those people who were in Chechnya speak very harshly about the efforts of those who are trying to organize talks. They think these talks are pointless and would be an insult to those fighting there now.

They are just as critical of the Soldiers' Mothers [of Russia] movement, which is calling on their sons not to participate in the defense of Russia's interests.

Pavel Guskov, Northern Caucasus.

Dudayev Hopes for 'Reason' From Russian Leaders

LD0301115495 Moscow 2x2 Television in Russian 1100 GMT 3 Jan 95

[FBIS Translated Text] Dzhokhar Dudayev spoke on Chechen television last night. He said the following:

[Begin Dudayev recording] Groupings of Russian soldiers and officers have been localized. They can be destroyed any time at the first command. But we still hope that Russian leaders will show reason, that they will come to their senses and preserve the lives of at least those who have been surrounded. Bearing this in mind, I am again appealing to Russian Prime Minister Chernomyrdin with an open letter, saying that an assault on the city will result in disaster for those who attack it and tragedy for those who defend it. [end recording]

New Commander Receives Praise, Morale 'Stronger'

MK3112105194 Moscow NEZAVISIMAYA GAZETA in Russian 31 Dec 94 p 1

[Report by Igor Korotchenko under the "Chechnya" rubric: "Initiative in the Hands of Russian Troops"]

[FBIS Translated Text] The Russian troops' disorderly milling around at the approaches to the Chechen capital has given way to sensible actions. Now there have been reports of competent operations, one of which resulted in the routing of a big force of fighters in the area of Argun and the Cossack village of Petropavlovskaya, who were trying to prevent army units from taking control of the federal Caucasus Highway between Groznyy and Argun. The senseless Russian Air Force raids that reduced whole city blocks to a scorched desert have now stopped. The gaps have now been filled in the circle sealing off Groznyy. The troops' morale is stronger. All these positive tendencies are primarily attributable to the appointment of a new commander of the united grouping of the Defense Ministry and the MVD [Ministry of Internal Affairs] internal troops in Chechnya. He is Gen. Lt. Anatoliy Kvashnin, who was previously first deputy chief of the Russian Federation Armed Forces

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General Staff. At the same time, Boris Yeltsin's edict removed from their positions the commander and the chief of staff of the North Caucasus Military District, who directed the troops that entered Chechnya in the first stage of the operation. Since last October, Gen. Kvashnin has been supervising a General Staff operations group on Chechnya, and he is better informed than anyone else on the situation there. Once there, he quickly put an end to the tumult and disarray, organized a steady command and control of the troops, and got the intelligence service working. As a result, personnel losses have decreased. Preparatory measures are now being completed in the group of Russian forces to use new high-precision systems and weapons which will selectively hit only military targets. Su-25TK attack planes with air-to-ground guided missiles, "Nona-SVK" 120-millimeter self-propelled guns, and "Shturm-S" anti- tank systems will be used. The Russian military command in Chechnya is confident that the group's tasks will be accomplished in the time alloted.

Deputy on Army Losses, Higher Than Counts

LD3012215094 Moscow 2x2 Television in Russian 2110 GMT 30 Dec 94

[FBIS Translated Excerpt] Hospitals in and around Groznyy are packed with wounded people, State Duma deputy Leonid Petrovskiy said during his press conference on Friday [30 December]. Most of the wounded are civilians injured during the bombing of Groznyy. [passage omitted]

Petrovskiy says there have been cases where Russian army field commanders have opposed attacks by their subdivisions, ignoring their commanders' orders. As for the losses: [Begin Petrovskiy recording] I do not have the exact figures for the losses suffered by the Russian army, the interior troops and other forces active there, but they are large, they are much higher than the official figures given. [end recording]

New Bomb Strikes Begin in Groznyy Suburbs

LD3112093394 Moscow Radiostantsiya Ekho Moskvy in Russian 0730 GMT 31 Dec 94

[FBIS Translated Text] Good morning. Our radio station was told by Aslambek Dadayev, a CHECHEN-PRESS representative that another bomb strike was made on Groznyy suburbs today. He said that in particular five houses were destroyed in the town's Zavodskoy Rayon.

Russian POW's Killed in Bombing

LD3112135394 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 31 Dec 94

[FBIS Translated Excerpt] [passage omitted] Two powerful aerial bombs were dropped today on the center of Groznyy, near the presidential palace, and one of them hit a remand prison of the Chechen Ministry of the Interior, as we were told by Aslambek Dadayev, a representative of the CHECHENPRESS agency:

[Begin Dadayev recording] Twenty-six prisoners have been killed, many have been wounded and several have managed to run away. A group of five or six prisoners is now (?waiting) in front of the presidential palace, demanding that they be given weapons so that they can fight. An attempt at storming Groznyy has begun. The city is being shelled from the Grad and Uragan launchers and from long- range guns. They are firing directly at residential areas. [end recording]

Fighting Continues in Central Groznyy

LD3112142194 Moscow Radio Rossii Network in Russian 1400 GMT 31 Dec 94

[FBIS Translated Text] According to news agency reports, Russian combat aircraft today carried out a strike on Groznyy's environs. There are fatalities among the civilian population. At the same time there are reports on fires in the central part of the city. Homes and the presidential palace are on fire. Oil tanks at the oil refinery are continuing to burn.

Eye-witnesses testify that Russian artillery is shelling Groznyy continuously, creating a rolling barrage. Under its cover some Russian units have already broken through into the city environs. Fierce fighting is already under way in the immediate vicinity of the airport.

According to the latest data from Groznyy, Russian armored subunits are waging battle with the defenders of Dzhokhar Dudayev's palace in the center of Groznyy. The breakthrough became possible after massive aimed fire by Russian artillery on the central areas of the city. AFP reports that the resistance put up by the Chechen militants has increased strongly. Eye-witnesses confirm that Dudayev's supporters have succeeded in setting fire to many armored vehicles of the Russian Army.

Chechen Spokesman on 'Fierce Fighting'

LD3112154794 Moscow INTERFAX in English 1527 GMT 31 Dec 94

[FBIS Transcribed Text] Groznyy, Dec 31 (INTERFAX)—As INTERFAX learned from Chechnya's Foreign Ministry, Saturday morning "fierce fighting took place on the outskirts of Groznyy, in particular in the direction of the village of Petropavlovskaya 1.5 kilometers away from Chechnya's capital."

According to a spokesman for the Chechen Foreign Ministry, "as a result of massive shellings another fire broke out at the gasoline storage in Grozny's Zavodskoy District."

Valeriy Borschev of the Yavlinsky faction in the State Duma, who is in Groznyy now, told INTERFAX that last night and this morning "Groznyy's suburbs were subjected to missile and bomb strikes."

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The press service of Chechnya's Foreign Ministry acquainted INTERFAX with Dzhokhar Dudayev's New Year's address to the people of Chechnya and Russia. "Despite the great might of the Russian army which is attacking Groznyy, the people of Chechnya have already won a moral victory," the address says. As Dudayev said, he is confident that "1995 will become the year of a powerful moral upsurge for the people of Chechnya."

Groznyy Combat 'Aggravates,' Weapons Confiscated

LD0101120695 Moscow ITAR-TASS World Service in Russian 1131 GMT 1 Jan 95

[FBIS Translated Text] Moscow, 1 Jan (ITAR-TASS)—The Russian Federation Government's Interim Information Center today sent ITAR- TASS the following report:

"The Interim Information Center has been informed by the Russian Interior Ministry's Public Relations' Center that, during the past 24 hours, the situation in the zone of combat actions on the territory of the Chechen Republic has been aggravated. Army groups of the Russian Defense Ministry and of the interior forces of the Russian Interior Ministry have continued actions in strengthening the blockade of the center of Groznyy. The central and adjacent district of the town have been occupied. Illegal armed formations are exerting active resistence only on approaches to the presidential palace.

"The Interim Information Center has been informed by the Russian Interior Ministry's Public Relations' Center that the law enforcement forces in the North Caucasian region are continuing to work with the local population on the confiscation of and the voluntary surrender of weapons.

"A total of 1.6 kg of drugs, 6 grenades, and a large number of pistols, hunting rifles, and ammunition have been confiscated in the past 24 hours."

Ingushetia Leader on Russian Prisoners

LD0101122995 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 1 Jan 95

[FBIS Translated Text] Boris Agapov, the vice president of Ingushetia, citing Chechen television, has told us that several dozen Russian servicemen were taken prisoner during overnight battles in Groznyy. According to Agapov, the Russian deputies who are in Groznyy spent the night in a bunker in the presidential palace.

Russian Troops Take Control of Palace

LD0101142595 Moscow Radiostantsiya Ekho Moskvy in Russian 1400 GMT 1 Jan 95

[FBIS Translated Text] The Russian Government press service has announced that Russian troops today took control of the presidential palace in Groznyy. The announcement makes no mention of the fate of President Dzhokhar Dudayev.

Ingush Leader Calls Groznyy 'Mincing-Machine'

LD0101143495 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 1 Jan 95

[FBIS Translated Excerpt] [Announcer] Ferocious battles are continuing in Groznyy between Russian forces and the supporters of Dzhokhar Dudayev. [passage omitted]

Since there are no telephone communications with Groznyy, and since Chechen TV programs are received in Ingushetia, we decided to contact Ingushetia Vice President Boris Agapov and asked him what is going on today in the Chechen Republic.

[Begin Agapov recording] A terrible tragedy is taking place in Groznyy now. Speaking frankly, using army language, Groznyy has been turned into a mincing-machine. The number of troops are being increased, and more and more subunits are being moved into Groznyy, including land troops and a helicopter-borne assault force. [end recording]

[Announcer] We relayed this information to Valentin Sergeyev, head of the Russian government's press service, and this how he commented on the information.

[Begin Sergeyev recording] We do not have such, let us say, frightening information. The information we have received so far is of a rather business-like nature and has no hint of all this kind of sensationalism and strange, panicking moods. [end recording]

[Announcer] The Russian Government's press service has reported, referring to the command of the subunits of the Russian interior troops and Defense Ministry from Mozdok, that a fire is being put out in Groznyy that had broken out at one of the oil refineries. [passage omitted: Some in Moscow think that some individuals in Moscow are connected to the Chechen crisis; Russian deputies spent last night in the cellar of the presidential palace; Red Cross has sent aid to Chechnya; church leaders concerned about the Chechen crisis] I would like to remind you that Russian deputies continue to remain in Groznyy. This is what Boris Agapov, Ingushetia's vice president had to say on this.

[Begin Agapov recording] They were, during yesterday, during the so-called New Year's night, if one can call this terrible night like that—in residence. [end recording]

Conference on Chechnya Settlement to Convene in Nalchik

LD0101151295 Moscow ITAR-TASS in English 1436 GMT 1 Jan 95

[By ITAR-TASS correspondent Gennadiy Kipkeyev]

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[FBIS Transcribed Text] Nalchik January 1 TASS—A conference on peaceful settlement in Chechnya will open in a few days in Nalchik and will continue in Moscow, ITAR-TASS was told by President of International Ethnic Minorities Fund Sergey Tokhtabiyev.

Tokhtabiyev said delegates of North Caucasian nations will take part in activities of the conference's organising committee, which includes Russian Federation Council members. Conference participants will go to areas of hostilities to try to negotiate a settlement.

Foreign Journalists Reportedly Leave Groznyy

LD0101163995 Moscow ITAR-TASS World Service in Russian 1620 GMT 1 Jan 95

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 1 Jan—Valentin Sergeyev, head of the press service of the Russian Government, has told the ITAR- TASS correspondent that foreign journalists who had been staying in Groznyy left the town either on Saturday [31 December] or the following night and therefore cannot now send reports from there.

Valentin Sergeyev stressed that the press service of the government of the Russian Federation has at its disposal a large amount of information on the situation in the Chechen Republic. This information will be made public after it is thoroughly analyzed and double-checked.

Russian Press Chief on Groznyy Reporting

LD0101170195 Moscow INTERFAX in English 1628 GMT 1 Jan 95

[FBIS Transcribed Text] Moscow, Jan 1 (INTERFAX)—Head of the Russian government's press service Valentin Sergeyev announced that foreign information agencies had been asking him about the situation in Chechnya all through Sunday [1 January]. They said that "the reports which they have received from their correspondents right from Groznyy" were rather contradictory, he said.

According to military intelligence, there are no foreign correspondents in Groznyy. Foreign corespondents' reports are based on accounts given by people, who left Groznyy on Sunday or last night, said Sergeyev.

Asked by Interfax why the government's press service issued the first report on the situation in Chechnya at 1600 on Sunday, Sergeyev said:

"The press service has received a large amount of information from Groznyy, Mozdok, the Cossack village of Isherskaya, the border between Dagestan and Chechnya, and other regions of the Chechen Republic. This information is being carefully selected and even more carefully checked through various reliable channels, independent of one another."

"Checks are made on every fact and every word," he went on to say.

He said that this work takes time, so the first report was issued at 16:00.

"The moment checks have been made on a fact or event, a report on it will be issued," he empathized.

Grachev: 5-6 Days Needed to 'Cleanse' Groznyy

LD0101170695 Moscow Mayak Radio Network in Russian 1625 GMT 1 Jan 95

[FBIS Translated Text] Defense Minister Pavel Grachev has called the press service of the Russian Federation Government. He said that the situation in Groznyy and its surroundings is gradually returning to normal. The entire center of the town and a number of town and suburban areas are under the full control of federal troops.

The presidential palace has been blockaded but exchanges of fire are continuing near it.

Additional interior troop formations of the Ministry of Internal Affairs and the Ministry of Defense have been brought up to the town as darkness falls.

Reinforced detachments of militia and servicemen are patrolling all residential areas. The minister stressed that every measure had been taken to guard citizens from the illegal armed formations. They are continuing to operate in some housing estates.

According to our estimates, Grachev said, it will take five or six days to fully cleanse the town of bandit formations and to complete the surrender of weapons by the so-called home guard which were brought up to the town from the countryside.

Grachev characterized the action of foreign mercenaries as highly professional in the military respect. He noted, I quote, the particular cruelty of the mercenaries with regard to the peaceful population.

It's Grachev's birthday today. And for the sixth time in his life he is celebrating his birthday in a combat situation, he said. Such is fate. He spoke with his wife, Lyubov Sergeyevna, on New Year's Eve. She threatened to divorce him—only jokingly of course. He promised to be good. Pavel Pasko, from the press service of the Russian Federation.

ICRC Reports 'Extremely Intense' Fighting in Groznyy

LD0101182595 Paris France-Inter Radio Network in French 1700 GMT 1 Jan 95

[FBIS Translated Text] In Chechnya, Russian troops are reported to have gained control of the Presidential Palace in Groznyy. The situation, however, is still very confused. As for the Chechens, they have announced

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that Russian tanks have been beaten back. Therefore, it is difficult right now to know exactly who has gained control of the town center.

The International Committee of the Red Cross [ICRC] has been given permission to intervene, but only two members of the ICRC have thus far been able to enter the capital in order to see the situation for themselves. ICRC spokesman Paul-Henri Morand spoke to Yves Izard on the telephone:

[Begin Morand recording] Two of our delegates were able to enter Groznyy yesterday. They left after half a day there. On the whole, their reports seem to confirm what the press has been saying, that is, that the fighting in Groznyy is extremely intense. The sky was filled with black smoke because of the explosion of the chemical factory. They left and told us that they had seen two hospitals—the two main hospitals in the town—which were totally deserted: There were neither patients nor anybody there. Apparently, people were evacuating the wounded to another place.

We were given permission from the warring sides today to enter Groznyy, which was not the case a few days ago. The problem today is no longer how to get into Groznyy—we have been given permission—but how to get in safely. Our staff are currently leading convoys in Nazran, Ingushetia, and Dagestan. They are ready to lead in the right direction. It remains for them to negotiate one roadblock after another, one block of houses after another, and that is more difficult. [end recording]

Fighting in Groznyy; Ammonia Tanks Reported Blown Up

LD0201082495 Moscow Russian Television Network in Russian 0500 GMT 2 Jan 95

[Report by correspondent Aleksey Samolotov from Groznyy; from the Vesti newscast—recorded]

[FBIS Translated Excerpt] Fighting has been going on in Groznyy since early this morning. Bursts of gunfire from weapons and assault rifles can be heard from the area around the railroad station and from the district where the factories are located. Fighting is also going on near the district around the presidential palace. There are very many armed people in the streets who call themselves people's militia. Things are complicated in Groznyy today. This is how the New Year started.

[Samolotov, to unidentified person] Where are they fighting right now?

[Unidentified person] At the railroad station. There are still some remnants there. They are surrounded, but they are not giving up. We suspect that there are Chechens with them. They [not further identified] are evidently not letting them surrender. We shouted to them to surrender, but....

[Samolotov] What is the situation at the oil refinery? Yesterday there was a rumor going round that that cisterns containing ammonia were blown up.

[Unidentified person] True, our detachment was positioned near it. In addition to those that are on fire, another five.... [remainder of sentence drowned out by gunfire]

[Samolotov] Oil tanks?

[Unidentified person] Oil tanks. The ecological danger that they are talking about does exist.

[Samolotov, to unidentified woman] How many people have left Groznyy?

[Unidentified woman] Approximately 80 percent.

[passage omitted]

[Moscow Radiostantsiya Ekho Moskvy in Russian at 0500 GMT on 2 January carries the following report: "Russian troops have averted explosions at the oil refinery and the chemical combine in Groznyy. There have been reports that these facilities have been put under guard of the troops."]

Russian Information on Groznyy Called 'Blatant Lie'

LD0201094595 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 2 Jan 95

[FBIS Translated Text] During the past 24 hours information on the events in the Chechen Republic was available from only from official Russian sources, that is, from the Defense Ministry and the goverment's press service. Nevertheless, this morning we managed to acquire an eyewitness account from independent observers on how the New Year passed in Groznyy. Viktor Sheynis, a State Duma deputy, who left Groznyy virtually hours ago, speaks over the telephone from Mineralnyye Vody.

[Begin Sheynis recording] This was a storming of Groznyy and it was a terrible slaughter—a slaughter to both (?sides). According to the Chechen side, about 250 tanks pushed their way into Groznyy. Most of the tanks, APCs, and infantry carriers—I gave the figure of 250; this includes all types of armored equipment—most of them were cut off and set on fire. We saw burned tanks. We saw Russian servicemen taken prisoner, just young lads, who did not know each other and who were urgently put into armored equipment and sent to storm Groznyy. This operation is monstrous in the way it was planned and in the way it is being carried out. Houses are being destroyed. The center of Groznyy is on fire. The refinery is also on fire. Information that Groznyy has been taken under control by the government forces is a blatant lie. [end recording]

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Information Center Says Situation in Groznyy Remains Tense

LD0201110495 Moscow ITAR-TASS World Service in Russian 1046 GMT 2 Jan 95

[FBIS Translated Text] Moscow, 2 Jan—The situation in the Chechen Republic remains tense, says a report sent today to ITAR-TASS by the Russian Government's temporary information center. Citing their own experts, the information center reports that the Army groups of the Russian Interior and Defense Ministries "are continuing to control the main part of the town of Groznyy and to take measures to clear the streets of bandit formations." "The presidential palace has been blockaded, but exchange of fire is going on around it," the report says.

"In the populated areas of Bamut and Achkhoy-Martan illegal formations are sabotaging communications" the information center says, citing information from the Russian Interior Ministry public relations office.

"Work is continuing with the local population on the voluntary surrender of weapons," the temporary information center report says. "All necessary measures to protect the citizens from illegal armed formations are being taken."

Main Areas of Groznyy Controlled by Russian Troops

LD0201121095 Moscow ITAR-TASS in English 1144 GMT 2 Jan 95

[FBIS Transcribed Text] Moscow January 2 TASS—The situation in the Chechen Republic remains tense, the temporary information centre of the Russian Government said in a report which came to ITAR-TASS today.

"Units of the Russian Interior and Defence Ministries are keeping the main part of the city under control and continue operations to eliminate illegal armed formations in the streets of the city. The presidential palace has been blockaded, but skirmishes around it are going on," the same source said.

In the settlements of Bamut and Achkhoy-Martan mines are being planted by illegal armed formations to disrupt vitally important communications, the same source said with reference to the Russian Interior Ministry public relations centre.

"Measures are being taken to persuade the local population to voluntarily surrender weapons and protect citizens against illegal armed formations," the temporary information centre said.

Chechen 'Militants' in 50 Strongholds Resist Russian Troops

LD0201140595 Moscow ITAR-TASS World Service in Russian 1255 GMT 2 Jan 95

[FBIS Translated Text] Moscow, 2 Jan—"Operations aimed at breaking up illegal armed formations, blockading them at their bases, and cleansing the town of Dudayev's bandit units continue in Groznyy," says a statement issued by the temporary information center of the Russian Government which was handed over to TASS today. Citing a temporary information center expert from the public relations center of the Russian Federal Counterintelligence Service, it says that "militants concentrated in over 50 strongholds are resisting Russian troops. Bandit units in Groznyy have been reinforced by armed groups forced out of the Gudermes, Shali, and Novyy Sharoy regions."

"They are being urged, and in some cases forced, to engage in armed clashes by foreign mercenaries, mainly Afghan mojahedins, the statement notes. Dudayev's illegal special services formations are planning and carrying out special propaganda tricks to urge home guards, who otherwise refrain from armed clashes with Russian units, to engage in bold actions, like sabotage. They are trying to persuade home guards and civilians that the military actions, and the conflict in general, have a religious slant aimed against the Muslims and Islam."

According to the statement, "Extremists are unhappy because they have no support in Maykop, Cherkessk, Nalchik, Vladikavkaz, and Sukhumi."

Ukrainian Nationalists: 600 Russians Killed in Groznyy

LD0201144195 Kiev UNIAR in Ukrainian 1245 GMT 2 Jan 95

[FBIS Translated Text] Groznyy, 2 Jan—A delegation from the Congress of Ukrainian Nationalists reports from the Chechen Republic of Ichkeriya:

On 1 January during a regular attempt by Russian troops to storm Groznyy, 117 tanks were disabled, of which 20 were captured including several new T-90s. Russian losses amount to 600 dead and 300 prisoners of war including one general and four colonels. The Chechen troops, acting in accordance with a preplanned tactic, allowed the Russian motorized infantry and armored vehicles into the suburbs where they were prevented from carrying out maneuvers. The Chechens surrounded them and continued the battle to destroy them.

The Chechen council has addressed a proposal to Russia's council of mothers to collect their children from captivity.

Groznyy Reported 'Almost' Under Dudayev's Control

LD0201151995 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 2 Jan 95

[FBIS Translated Text] State Duma deputy Anatoliy Shabad told our radio over the phone that the Chechen capital of Groznyy is currently almost completely under the control of government forces loyal to Dzhokhar Dudayev.

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[Moscow 2x2 Television in Russian at 1455 GMT on 2 January carries the following report: "Citing a special group of the Ingushetian Government, RIA NOVOSTI reports that the Russian troops left the center of Groznyy today after suffering losses in fierce fighting."]

Duma Deputies Report Over 1,000 Civilians Killed in Groznyy

LD0201155495

[FBIS Editorial Report] Moscow 2x2 Television in Russian at 1455 GMT on 2 January broadcasts a two-minute report on a news conference held by the State Duma's deputies after returning from Groznyy this morning. An unidentified female correspondent says that "the deputies have described the military action undertaken in Groznyy on 30-31 December as none other than the wiping out of civilians and the ill-fated military adventure of the command." "According to the Chechen side and the deputies' own observations, over 1,000 civilians have died in Groznyy in military actions, thousands of servicemen have been killed, about 1,000 tanks have been destroyed, and their crews have either been taken prisoner or killed."

Sheynis: Troops Suffered 'Crushing Defeat'

LD0201181695 Moscow Russian Television Network in Russian 1700 GMT 2 Jan 95

[Video report by correspondent D. Maslennikov, including recorded comments by Russian State Duma Deputy Viktor Sheynis; from the "Vesti" newscast]

[FBIS Translated Text] We have already reported that a group of deputies have been in Groznyy since the 30 December. Today Lev Ponomarev, Gleb Yakunin, and Viktor Sheynis returned to Moscow and called journalists to a news conference.

[Maslennikov] State Duma deputies Lev Ponomarev, Viktor Sheynis, and Gleb Yakunin returned to Moscow from Groznyy. Having been in the bunker of Dudayev's palace since 31 December, they witnessed the storming of Groznyy. According to them, about 250 pieces of armor, a considerable quantity of which was destroyed by Dudayev supporters, was brought into the city.

[Sheynis] The troops who entered the city suffered a crushing defeat. The city is under the control of its defenders.

[Maslennikov] The center of Groznyy was virtually completely destroyed and there are considerable casualties.

[Sheynis] Thousands of innocent people have been killed, and hundreds of servicemen have also been killed. The government's Information Service is concealing the truth about the number of lives that have been lost.

[Maslennikov] The deputies were given information that hundreds of armed citizens are in Groznyy, and therefore...

[Sheynis] The Russian units are being opposed not by bandit formations, but by an armed people.

[Maslennikov] Yet the deputies consider that the Chechen conflict can be solved by peaceful means. In their opinion to achieve this, first and foremost, there must be an end to the escalation in hostilities. [video shows news conference]

Army's Defeat Called 'Shattering'

LD0201205195 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 2 Jan 95

[FBIS Translated Text] The attempted storming of Groznyy by Russian troops on the night from the 31 December to 1 January was a complete fiasco, practically all the State Duma deputies who where in the Chechen capital at the time believe. State Duma Deputy Anatoliy Shabad telephoned us from Khasavyurt today.

[Begin Shabad recording] Do not believe what (?Vesti) are saying because everything is exactly the opposite. Not only is the town under full control of Dudayev's government forces, not only have they failed to capture the presidential palace, not only have they failed to seal it off, but even the blockade of Chechnya that has been reported many times does not exist. The defeat of the Russian Army, which entered Groznyy on the 31 December, is shattering. [end recording]

Russian Forces 'Almost Completely Destroyed'

LD0301095695 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 3 Jan 95

[FBIS Translated Excerpt] The Russian troops which entered Groznyy on 31 December have been almost completely destroyed. Many sources have reported this. For instance, this is what Ingushetian Vice President Boris Agapov told us today:

[Begin Agapov recording] A grouping of federal troops which had been surrounded surrendered at 2100 yesterday. The first two groupings were destroyed— unfortunately, one can only say. And the last grouping also surrendered. The city is fully controlled by Chechens who are defending themselves. [end recording] [passage omitted]

[Begin Agapov recording] Chechens are appalled that a truce has not been announced to clear the battlefield of bodies. The city is littered with bodies of dead soldiers. Despite the firing, Chechens are taking the bodies of their people and burying them. As for the Russian lads, they are left to lie there. [end recording] [passage omitted]

Dzhokhar Dudayev is currently in a special command post outside the presidential palace, Boris Agapov noted. [passage omitted]

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Witnesses View 'Nightmare' Situation in Groznyy

LD0301092395 Moscow Mayak Radio Network in Russian 0746 GMT 3 Jan 95

[FBIS Translated Text] [Correspondent Pavel Guskov] News that is coming from Groznyy can only be described as tragic news. It is completely impossible to obtain the latest information because telephone communications in Groznyy are completely out of order. But a group of Russian deputies and journalists who left Groznyy for Moscow yesterday and those who are due to leave Mineralnyye Vody for Moscow at about 1050 today, I spoke to yesterday, and today I also spoke to journalist Marina Perevozkina who represents the RUSSKAYA MYSL newspaper printed in Paris. I am under the impression that what is going on in Groznyy at present is simply a nightmare as they described it. They have said that three Russian groups were forced to stop resistance by yesterday evening. The last one was the group in the area of the railway station. According to the deputies and journalists—there are three deputies in Groznyy at the moment: Valentin Kovalev, Valeriy Borshchev, and Mikhail Molostvov—and according to those deputies who left there, it seems that Groznyy is full of Dudayev's supporters and that the command over units there has been lost. They say that tanks are moving in Groznyy, firing indiscriminately, trying to get out of the town. Witnesses claim the town is littered with bodies of soldiers of the Russian Army and interior troops. They say that Chechen militants are puzzled, let us put it like this, as to why it is not possible to agree on a truce for a couple of hours to bury those who were killed and to render assistance to those who were wounded. The number of wounded people is increasing.

They cannot say for sure how many Russian servicemen have been actually captured but they saw yesterday that about 100 Russian Army servicemen were taken to a bunker at the presidential palace in Groznyy. Very often they [captured soldiers] ask their captors to explain to them who is fighting who here. According to Shamid Basayev, the commander of troops of the Confederation of Caucasus Peoples who is in Groznyy, about 150 units of Russian armored equipment were set afire. So, this is the information from Groznyy, Pavel Guskov, North Caucasus.

[Announcer] I would like to add to this report that for the past 12 hours they had not received any information on the situation in Chechnya from official sources.

Official Information Cited on Groznyy Situation

LD0301112795 Moscow Mayak Radio Network in Russian 1030 GMT 3 Jan 95

[Correspondent Vladimir Pasko report from Russian Federation Press Service center]

[FBIS Translated Text] Good day, esteemed listeners. According to the information received from the command of the Ministry of Interior Internal Troops and Ministry of Defense of the Russian Federation from Groznyy and Mozdok, the situation in Groznyy and in the areas adjacent to it remains tense. Subunits of the federal troops continue to control the center of the city, including the presidential palace, the railway station, and a number of administrative buildings which used to house the leading bodies of Dudayev's government.

During the night and forenoon, subunits of the federal forces managed to seize the initiative and expand the areas they control in the center of the city.

The command of the federal troops has reported certain tactics being used by the fighters: small detachments using vehicles mounted with large-caliber machine-guns, grenade-launchers and light weapons appear in the areas where Russian servicemen are located, fire at their positions, and withdraw among the housing blocks. Measures taken by the command have made it possible to resolutely thwart such forays. As a result, eight vehicles with their armaments have been destroyed.

Aircraft have mounted a number of strikes with high-precision missiles at the fortified positions of the illicit armed formations and armored vehicles.

The situation in the city is gradually returning to normal. Conditions are being created for the work of the local bodies of self-government, supply, medical institutions and municipal services.

Subunits of the Ministry for Emergencies have started bringing into the city center food supplies, medicines, winter clothing, sleeping bags, heated tents, and also firewood for the populace.

In the next few days, subunits of construction and repair workers will start work in the central districts of the city.

Official Reports Admit Losses of Equipment, Men in Groznyy

LD0301114995 Moscow Russian Television Network in Russian 1100 GMT 3 Jan 95

[From the "Vesti" newscast]

[FBIS Translated Text] The Russian Government press service reported today that several dozen pieces of armored equipment were burned while federal forces' subunits were entering Groznyy.

Resistance is being put up not so much by the home guard as by professional mercenaries. They are using artillery, Grad salvo fire systems, grenade-launchers, and flame-throwers.

The Russian troops really have suffered losses over the past few days but, according to the information of the government press service they are lower than CHECHEN PRESS reports.

Chechen Politician Refutes Russian Accounts of Fighting

NC0201184695 Baku TURAN in English 1500 GMT 2 Jan 95

[FBIS Transcribed Text] Baku, January 2 (TURAN)—"Information of Russian mass media on attack of the

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presidential office in Groznyy is not true, after the air attacks it has burned fully. Dzhokhar Dudayev is in the city, in one of the head-quarters and rules the actions of Chechen army," TURAN was told by Head of Azerbaijan's Party "Bozgurd" Iskender Hamidov.

Hamidov said that on January 1 he spoke on the phone with Chechnya's Foreign Minister Shamsaddin Yusif and other supporters of Dudayev. According to them Groznyy is under the control of Chechen army. The most severe fightings are taking place near the presidential office. Russian troops are trying to break through to the centre of Groznyy. Both sides suffer losses, said Hamidov.

According to Shamsaddin Yusif the losses of Russian Army over the whole period of fights totalled 2,000 people. Yesterday in Groznyy the Chechen army managed to encircle a large group of Russian Army.

Kovalev Asks Chernomyrdin To 'Remove Shame of Criminal War'

LD0201212495 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 2 Jan 95

[FBIS Translated Text] Deputies Valeriy Borshchev, Mikhail Molostvov, Yuliy Rybakov, Aleksandr Osovtsov, Anatoliy Shabad, Valeriy Maksimov, and Viktor Kurochkin today send yet another appeal by Sergey Kovalev to Viktor Chernomyrdin. The official media are full of disinformation, the document says. The things that are happening remind one vividly of the tragedies of Lidice, Guernica, and Coventry. Kovalev says that at Andrey Kozyrev's request he held unofficial consultations with the Chechen leadership, and the Chechen side stated its readiness to begin flexible talks, the withdrawal of Russian troops being the only condition. I beg you to stop this senseless bloodshed and remove the shame of this criminal war from Russia, Sergey Kovalev writes.

TV Correspondent Says Russians Control All Chechen Exits

LD0201223795 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 2 Jan 95

[From the "Vremya" newscast]

[FBIS Translated Text] Among the few correspondents in the combat zone today were our special correspondents Grigoriy Brynza and Valentin Tarasov:

[Begin recording] [Grigoriy Brynza video report from Groznyy] The appearance of Russian subunits in the center of Groznyy came, on the whole, unexpected for Dzokhar Dudayev's armed units. The latter had hoped to defend the resistance ring within the bounds of the outskirts of the capital. At present, the greater part of the town is under the control of Russian troops. The presidential palace building has been encircled. Exchanges of fire are taking place.

Despite the fact that most groups left Groznyy in the night from 30 to 31 December, the situation in the town remains tense and changes every hour. Ways for Dzhokhar Dudayev's armed supporters remaining in the town to retreat have been cut off, inasmuch as the Russian troops are in control of all exits from the Chechen capital.

Units of the Russian interior troops and Defense Ministry are taking under protection the town's vitally important facilities, including the oil refinery and the chemical works.

Troop subunits have started bringing under control the seats of fire at the oil wells on the Katinskiye hills in the western part of Groznyy, which caught fire as a result of the combat operations. [end recording]

Russians in Groznyy Reportedly Surrender; City Shelled

LD0301073295 Moscow Radiostantsiya Ekho Moskvy in Russian 0700 GMT 3 Jan 95

[FBIS Translated Text] Boris Agapov, the vice-president of Ingushetia, has told Ekho Moskvy that the last grouping of Russian troops in the center of Groznyy was surrounded yesterday at 2100 hours. It surrendered. Agapov said that Groznyy was under heavy shelling this morning.

Deputy Describes 'Rout' of Russian Forces in Groznyy

LD0301092695 Moscow Mayak Radio Network in Russian 0830 GMT 3 Jan 95

[FBIS Translated Text] In a telephone conversation with Ekho Moskvy radio station, State Duma deputy Anatoliy Shabad, who left Groznyy for Khasvyurt yesterday, said that not only was the capital of the Chechen republic under the full control of Dzhokhar Dudayev's forces, not only had the presidential palace not been taken, but there was not even any blockade of Chechnya. Shabad said that the defeat and rout of the Russian army was colossal. Over 30 tanks which have been put out of action are standing on the square in front of Groznyy's railway station alone.

Moscow Checking Reports From Groznyy; Communications Down

LD0301104495 Moscow ITAR-TASS World Service in Russian 0953 GMT 3 Jan 95

[FBIS Translated Excerpt] Moscow, 3 Jan (ITAR-TASS)—The situation in Chechnya remains tense, Ruslan Maysigov, an ITAR-TASS correspondent in Nazran (Ingushetia) has reported. The press service of the Russian Government has told ITAR-TASS that reports on the situation in Chechnya from various sources are undergoing checks at present and an official communique will be issued during the day.

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An ITAR-TASS correspondent in Moscow was unable to contact Groznyy today: The telephone and teletype communications with Groznyy are out of order. ITAR-TASS correspondent in Groznyy Sharip Asuyev has been admitted to hospital suffering from a heart attack. [passage omitted]

The number of people who were forced to leave their homes in Chechnya has reached 120,000, ITAR-TASS has learned from Russia's Federal Migration Service. Yesterday alone, the service dealt with 2,331 people. According to the service, the majority of those leaving Chechnya are heading for neighboring Ingushetia.

An ITAR-TASS special correspondent Mikhail Karlov reported from Mozdok [North Ossetia] today that a helicopter delivered 15 children to a hospital, which was opened there by the Russian Ministry for Emergencies. They were found in the basement of a house in Groznyy. They received medical attention.

Government Reports Factional Clashes Among Chechen Fighters

LD0301120395 Moscow Mayak Radio Network in Russian 1100 GMT 3 Jan 95

[Correspondent Vladimir Pasko report from Russian Federation press service center]

[FBIS Translated Text] Here is another report from government sources about the situation in Groznyy. According to military intelligence information from Groznyy, last night 60 fighters were taken prisoner in the north of the city. Over half of them are mercenaries from Afghanistan and Jordan. Last night about 50 Ukrainian ultra-nationalist volunteers tried to leave Groznyy but were seized by Dudayev's counterintelligence. As morning approached today, a large group of Ukrainian volunteers were shot by Dudayev's men.

Illegal armed groupings suffered heavy losses last night and this morning. Gold rings and bracelets and other valuables have been found on many of the fighters. The local population has reported mass looting and robbery, carried out under the guise of searches for weapons. Snippets of radio conversations between field commanders confirm that there is a serious shortage of ammunition, food, gasoline, and diesel fuel.

The number of interfactional clashes has increased because of this situation. Intelligence bodies have established that there have been several such clashes using weapons. There is little point in these unlawful attempts by illegal armed groupins to replenish their ranks with new forces and ammunition, the report says.

Subunits of federal troops are maintaining a tight blockade of the approaches to the city.

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International Affairs

Kuchma Sends New Year Greetings to Yeltsin

LD3112132194 Moscow ITAR-TASS in English 1221 GMT 31 Dec 94

[By UKRINFORM for TASS]

[FBIS Transcribed Text] Kiev December 31 TASS—Ukrainian President Leonid Kuchma has sent a letter to President Yeltsin, in which he wished him a happy new year, good health and accomplishments in his responsible work for the benefit of the Russian people and a further strengthening of Ukrainian-Russian relations.

The letter said, among other things, that today there is every reason to be satisfied with the dynamics of bilateral cooperation, because a number of Russian-Ukrainian agreements were signed in 1994, which created a legal foundation for boosting cooperation in various spheres of the socio-political and economic life.

The work on a large-scale political treaty, which should become a guideline for the development of cooperation between the two countries, is coming to a close.

"We shall do all we can for the Russian-Ukrainian relations to become an example for others and to turn into an important factor of stability in our region and in Europe, the Ukrainian president stressed in conclusion. [no closing quotation marks as received]

Adviser on Russia's Violations of Trade Pact

WS0201142495 Kiev INTELNEWS in English 0240 GMT 31 Dec 94

[FBIS Transcribed Text] Kiev, Dec 29 —Presidential Administration Economic Adviser Volodymyr Kuznetsov accused Russia of violating a Russian-Ukrainian trade pact.

"Having canceled preferential treatment concerning 38 categories of commodities, Russia terminated a Ukrainian-Russian free trade agreement, causing a growth in customs duties for fuels (ECU 38 for a ton of oil and ECU 5 for 1,000 cubic meters of gas)," said Kuznetsov at a Thursday World Bank round table discussion.

Such an increase in duties on fuels is a serious problem for Ukraine, which has seen a growth in its national debt, largely because of energy costs. According to Kuznetsov, fuels account for the lion's share of Ukraine's $7.1 billion foreign debt that makes up about 50 percent of the country's GDP.

According to Deputy Finance Minister Borys Sobolev, Ukraine's foreign debt will reach $30-35 billion by the year 2000. "Today gas is a hard currency. But let us not turn our state budget into an alms house. He who has debts must pay them off," said Sobolev.

Foreign Ministry on Participation in Chechnya

LD3012225094 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 30 Dec 94

[FBIS Translated Text] The news conference by the Russian Federation's ministers of defense and internal affairs and the head of the Federal Counterintelligence Service on 29 December did not go unnoticed by Ukraine's Foreign Ministry. During the news conference another attempt was made to find some Ukrainian trace in the Chechen events. This time, a UNA-UNSO [National Assembly-National Defense] cap was demonstrated as proof on television screens and the participation of Ukrainian bandits in Chechen events was stated.

In connection with this, the press center of Ukraine's Foreign Ministry is authorized to state the following:

Not for the first time high officials of Russia are endeavoring to play the Ukrainian card in the context of the Chechen crisis, hinting at Ukraine's official structures supposedly encouraging its citizens to take part in events in this North Caucasus republic. It evokes deep surprise and misunderstanding that these attempts have not once referred to the Ukrainian Government's official statement and subsequent statements by the Foreign Ministry, which clearly set forth our position regarding mercenary activity and Ukraine's condemnation as a participant of the relevant international convention.

Ukraine's Government, the statement goes on to say, does not know of cases, which in the international legal sense may be interpreted as mercenary activity by Ukrainian citizens in connection with events in Chechnya. The Ukrainian Foreign Ministry has frequently appealed to Ukrainian citizens to refrain from trips to Chechnya and from taking part in these events on either side.

It is very strange that this stance by Ukraine's Government is going unnoticed by high Russian Government officials. In connection with the said news conference, the press center of Ukraine's Foreign Ministry draws attention to the fact that its participants were using terms, which have been literally pulled from the obsolete, propagandist arsenal of the Stalinist regime's great power repressive ideology.

On the whole this is strongly dissonant with the atmosphere of constructive dialogue, which is continuing between Ukraine and the leadership of democratic Russia. The use of the term bandit in present conditions is improper, tactless, and in fact turns Russia's public opinion against Ukraine. It is not comprehensible whom this benefits. If the leaders of the Russian power-wielding structures think that in this way they can facilitate the establishment of mutual understanding between our peoples, then truly in doing so they achieve the entirely opposite effect, the statement of the press center of Ukraine's Foreign Ministry, says.

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Parliament Ratifies World Bank Credit Deal

MM0301101095 Moscow RABOCHAYA TRIBUNA in Russian 30 Dec 94 p 5

[ITAR-TASS report under the "Parliamentary Bulletin" rubric: "17 Years—No Problem"]

[FBIS Translated Text] The Ukrainian Supreme Council has ratified an agreement signed by the government with the World Bank for credits of $500 million to be granted to the country. This sum is allocated for financing the program of market reforms.

As the republic's Vice Prime Minister Igor Mityukov stated at a parliamentary session held in this connection, the World Bank's terms are acceptable to Ukraine. The redit is granted for 17 years at an annual interest rate of 7-8 percent. Admittedly, as the vice premier noted, Ukraine can use these funds only to cover the balance of payments deficit.

According to Igor Mityukov, Ukraine intends to use the credit to pay for energy sources. It owes $400 million to Turkmenistan alone, for gas.

Under the agreement, Ukraine will receive $110 million this year. The World Bank will allocate the remaining sum in the first half of next year. In a decree, parliamentarians instructed the government periodically to account to them for the use of the credit.

French Ambassador on Ukraine's 'Image'

WS0301121995 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 22 Dec 94 p 3

[Interview with French Ambassador to Ukraine Michel Peissik by Yuriy Pilchevskiy and Nataliya Ulankina; place and date not given: "After the Budapest Summit, the World Took a Different Look at Ukraine"]

[FBIS Translated Excerpt] [passage omitted] [VSEUKRAINSKIYE VEDOMOSTI] More and more often, Ukraine presents itself as a state conducting balanced and constructive policies. The documents signed by the Ukrainian delegation headed by Ukrainian President Kuchma at the CSCE summit in Budapest were described as Ukraine's "breakthrough" into the international community. What do you think about the results of the Budapest summit?

[Peissik] I believe that it was a very important event, because Ukraine, for the first time, took care of its international image. Before that, Ukraine was widely seen as a country with unpredictable policies and Chernobyl, posing a threat to Europe. It was said that Ukraine does not need nuclear weapons because it is not capable of possessing and using them.

After the Ukrainian parliament ratified Ukraine's ascension to the nuclear nonproliferation treaty, I wrote a letter to President Kuchma, saying that the initiation of bold economic reforms and the ratification of the treaty serve as the real permit for Ukraine's admission to the international community.

It may be that after the Budapest summit, the world took a different look at Ukraine—as a state fulfilling the assumed international obligations promoting civilized market relations. One should feel how the world reacts to you. This is very important.

[VSEUKRAINSKIYE VEDOMOSTI] Nevertheless, certain political forces believe that the absence of nuclear weapons will weaken our country.

[Peissik] A man who wants to behave aggressively should have a gun. The same thing applies to politics. There is more to politics, however, than just confrontation. Another reason why we welcomed Mr. Kuchma's election as Ukrainian president is that his program better addressed specific issues intended to stabilize the political and economic situation. The nuclear weapons, over which Ukraine had no control, were a very dangerous thing and posed a permanent threat to everybody.

[VSEUKRAINSKIYE VEDOMOSTI] As is known, the French Government, in cooperation with the International Fund "Rebirth," decided to help our country implement a program of social adaptation of servicemen. Why is your country interested in this issue?

[Peissik] The initiative came from us. We saw that you have problems in this sphere, and our policy toward Ukraine is aimed at doing our best to stabilize the situation in the country and cope with all difficulties and problems during the transition period.

Besides, the military is being reduced not only in Ukraine. In France, for example, we worked a lot on this problem. This is why we started to devise a methodology to adapt servicemen socially. For example, if an officer wants to start his own business, he will naturally have to grapple with a whole bunch of problems. This includes market research, dealings with banks and tax institutions, etc. Of course, such a man needs help, business advise, and recommendations at the initial stage. French experts have long worked on this problem and accumulated vast experience in this field.

In Ukraine, we were supported by the International Fund "Rebirth," with which we have fruitful cooperation.

[VSEUKRAINSKIYE VEDOMOSTI] Did this initiative not meet with understanding in government circles? After all, the Fund "Rebirth" is a charity organization...

[Peissik] This program would not be possible without the complete participation of the Ukrainian Defense Ministry. We found here full understanding and support, and jointly worked on the program's details and conditions, and defined the target servicemen that this program will cover. It is possible that Black Sea Fleet officers will be the first to participate in it.

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Also, we decided to help young Ukrainian entrepreneurs. I met with French business executives working in your country and asked them to allocate funds for this project. The Ukrainian businessmen selected to participate in this program attended a course devoted to business management and served as interns in French enterprises and companies. Upon returning, they wrote their own business plans. We reviewed all of those plans and the best ones received cash awards. [passage omitted]

National Affairs

Kuchma, Moroz Seen To Conflict on Issues

WS0301112995 Kiev KHRESHCHATYK in Ukrainian 27 Dec 94 p 3

[Article by Vyacheslav Pikhovshek: "Conflict Between Branches of Power: Another Round"]

[FBIS Translated Text] Recent weeks have been marked not so much by the fact that—given the economic crisis in Ukraine—the Supreme Council chairman and the president finally stopped trying to convince the Ukrainian people and one another that everything in mutual relations between the branches of power on the tree of Ukrainian statehood is cloudless, as by the attempts of leaders of the competing political camps to add a constructive tinge to the dispute. L. Kuchma and O. Moroz have become supporters of the epistolary genre only recently: They have been exchanging letters covering the most important issues of public and political life. Their letters do not resemble the letters of two people who are in love with one another: Despite the apparent politeness of the colleagues in the genre, we can sense the concealed undercurrents of obviously conflicting political interests. Supreme Council Chairman O. Moroz, who, perhaps, decided to at least try to change his own antimarket image, in one of his letters to the president voiced his concern over the slow pace of establishing a full-fledged legislative basis for the state's economic policy. The president, in turn, readdressed this reproach to the Supreme Council chairman, saying that it is in essence the executive branch which is drafting new economic legislation; in addition, executive bodies are busy dealing with current problems, such as managing the economy, supplying energy resources to people, enterprises, and organizations, and supporting the vitality of the people's transportation, communications, and social security; it was the executive branch that was obliged to help the people survive during the fall and winter seasons. If the president wanted to hint that the executive branch is working hard, while those, on whom the drafting and adoption of laws truly depend—the people's deputies of Ukraine—are waiting for ready-made draft laws, instead of drafting them themselves, he has accomplished his task. The president could not also keep himself from reproaching executive officers one more time: "Unfounded attempts by a number of our people's deputies to suspend the first edicts of the Ukrainian president, as well as government resolutions aimed at accelerating reform, truly complicate the economic situation and lead to apparent material losses." L. Kuchma—in his own way—has proposed that a coordinating council dealing with legislative initiatives be organized to bring together representatives of the legislature, government, and presidential administration; encourage the rapprochement of positions on the gist of draft laws and specification of the priority of the adoption of legislative acts; and coordinate joint activity of the government and deputies' bodies in drafting them. The president's proposal, by the way, was substituted with a more pressing issue, that is, by discussing a draft law on state power and local self-administration in Ukraine, which was put forward by L. Kuchma. The presidential "barrage"—this is how we can call the lobbying efforts of mayors of cities with populations of over 1 million people on behalf of the presidential draft law—is a particularly efficient and elegant move to "insist" on a referendum; it, however, has not convinced supporters of soviets of the expediency of sharing their power with someone else. Despite repeated statements by President L. Kuchma—I am not going to give in, because this implies that there will be no presidential power in Ukraine—numerous observers state that there are many issues in the draft law—from banking to the true role of oblast councils in the life of the state—which could be dismissed by the president, who could give in to forces which could influence the results of the Supreme Council elections. Politics often resemble ordinary haggling over a price: The one who wants to sell something—L. Kuchma is selling his draft law—at first states a high price, while remaining aware of exactly how much room he has to negotiate. It seems to me that we are watching the initial stage of the deal, when the president is inclined to show that he will not compromise. We, however, can be sure that L. Kuchma will not give in on the issue of strengthening presidential power—the core of the draft law—therefore, this, perhaps, explains why the Supreme Council chairman insists—resolutely and stubbornly—on the discussion of the draft law on local councils of people's deputies before resolving the issue as to the adoption of the draft law on state power and local self-administration. The two draft laws—related to the state system in Ukraine—differ in the approach to the organization of local power. A document submitted by legislative commissions foresees the preservation of a traditional structure of councils, while the presidential document in essence restricts their power and strengthens the executive hierarchy. It turns out that a final sum can be different depending on the order of additions. The Supreme Council chairman, however, is not going to limit his maneuvering game to only a chess board: Having come to his senses after the presidential "land revolution," O. Moroz stated that a "series of tenets of this edict come in conflict with the Constitution." It was noticed a long time ago that the Supreme Council chairman's political activity is characterized by a kind of late response, which the people call "late inoculation." This implies that O. Moroz realizes a particular idea long after it is declared. In any case,

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neither the president nor the Supreme Council chairman are inclined to "waive their principles." Therefore, all that is left for us is to wait for the next rounds of this battle, until one side wins.

Russia Denies Blame for Gas Shortage

LD0201140295 Kiev UNIAR in Ukrainian 1245 GMT 2 Jan 95

[FBIS Translated Text] Kiev, 2 Jan—Some of the Ukrainian mass media have recently reported that citizens' houses are cold because the Russian "Gazprom" joint-stock company has supposedly not been supplying gas to Ukraine. The Ukrainian Embassy in the Russian Federation, which is constantly engaged in the problems of energy supplies, states that such reports do not accord with reality. Approximately 170 million cubic meters of gas is received from the Russian "Gazprom" joint-stock company daily. Under the plan, this figure should be 85 million cubic meters of gas. Thus, the Russian suppliers are now "covering" the Turkmen nondeliveries by doubling the planned gas supplies. The Ukrainian Embassy's press service notes: "Thus, the following issue arises: If only 48 percent of the total quantity of fuel is needed for the communal economy, who is to blame when citizens freeze in their apartments? The suppliers from abroad, or our own managers, who did not bother to create reserves of fuel oil for the winter in advance in time-honored fashion and are now endeavoring to live unconcernedly at the expense of Russian gas and their own citizens?"

Kuchma Sets up Economic Reform Council

LD0201162395 Moscow ITAR-TASS in English 1549 GMT 2 Jan 95

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] Kiev January 2 TASS—Ukrainian President Leonid Kuchma signed a decree on Monday establishing a special council for economic reform in the republic.

The decree appointed First Vice-Prime Minister Viktor Pinzenik council chairman.

The council will coordinate the efforts of the Cabinet of Ministers, the National Bank and the ministries in carrying out economic reform in Ukraine, the decree said.

Consumer Price Increases Impact Living Standards

WS0201142895 Kiev INTELNEWS in English 0638 GMT 31 Dec 94

[Report by Ed Zwirn]

[FBIS Transcribed Text] [no dateline as received] The increase in consumer prices for the average Ukrainian citizen has had a sharp impact on living standards and sent shock waves through the country's political and economic systems.

Working in tandem with each wave of devaluation of the country's currency, the cost of living as expressed in karbovanets has nearly quadrupled since INTELNEWS began its Consumer Price Index [CPI] tracking 10 months ago.

Dollar holders were protected from most, but not all, of this increase by the sharp appreciation of the dollar vs. the local currency.

The index, which was unveiled in the Feb. 24 issue and assigns that date the baseline figure of 100, represents a rough attempt to track changes in the minimum cost of living for one resident of Kiev, as expressed in the local currency.

Typical prices for basic staples have since been tracked every two weeks in both state stores and open markets and each given the appropriate weight. For example, the figure for a loaf of bread is heavily (99 percent) weighted towards the state price, as we believe reflective of actual purchasing patterns. Tomatoes, on the other hand, are totally determined by open market prices. The consolidated pricing figures were then weighted for estimated consumption per individual (for example: the hypothetical individual might eat 15 loaves of bread, but would only pay for rent and metro ridership a single time).

While the formulas used may appear somewhat arbitrary and in fact required frequent adjustment as items appeared and disappeared from the shelves—altering spending patterns, the overall trends are pronounced enough to draw conclusions as the year 1994 comes to an end.

The overriding impression one gets from studying price movements for most of 1994 is that inflation tended to march strictly in synch with the fate of the karbovanets hard currency exchange rates, sheltering those earning their living in hard currency from the brunt of the increases.

Because the price increases were also driven by central government pricing decisions that went above and beyond any fluctuation in the exchange rate, the dollar actually lost 4.3 percent of its purchasing power in Kiev over the past 10 months; the price of the basket of goods and services as expressed in dollars going from $54.65 to $57.01.

The cost of living as expressed in karbovantsi rose by 271.6 percent over the period; going from KBV1,994,630 Feb. 24 to KBV7,411,550 Dec. 28.

Throughout most of the year the standard of living of a worker making constant dollar wages actually increased due to the steady increase of the dollar in relation to the local currency. This came to an abrupt halt Oct. 21 with

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the issuance of the Cabinet of Ministers price "liberalization" decree that sent prices soaring for everything from bread to rent to metro tickets.

In the 10 weeks to follow, the cost of living in dollars rose by more than 60 percent; more than making up for its previous steady decline.

Although the price of everything in the INTELNEWS Consumer Price Index has increased substantially over the past 10 months, these increases were not spread evenly among all the items measured. Most of the largest increases came in the staple food categories; with the price of potatoes increasing 945.5 percent; butter, 834.2 percent; bread, 564.8 percent; and apples, 516.7 percent.

The price of a monthly metro ticket increased 900 percent, although still a bargain for New Yorkers at KBV90,000.

Many items, however increased more moderately and are actually cheaper for dollar consumers now than they were Feb. 24. The price of bananas, for example, increased only about 34 percent in the local currency, making for an effective decrease of over 60 percent.

For the most recent two week period, prices resumed their increase after a brief respite in the last period. The index rose about 3.5 percent in karbovantsi, with dollar equivalent costs rising about 6 percent.

The overall increase since measurements began Feb. 24 is 271.6 percent, or about 230 percent annualized. The index now measures 371.6, with Feb. 24 equal to 100.

The bad news for consumers this time around included a 100 percent increase for tomatoes, an 18.2 percent increase for milk, 16.7 percent for pork and 15.7 percent for bananas.

National Bank on Credit Issuance, Within 'Limits'

AU3112193694 Kiev URYADOVYY KURYER in Ukrainian 29 Dec 94 p 4

[Undated "Statement by the Press Service of Ukraine's National Bank"]

[FBIS Translated Text] The mass media has carried reports lately referring to a statement for the press by Ukraine's people's deputy Oleksandr Yemets asserting that Ukraine's National Bank—independently and without coordinating with the government—turned to the Supreme Council with a credits emission proposal totalling 23 trillion karbovantsi, and there is a suspicion that the bank, despite the absence of corresponding authorization, carried out such an emission.

In this connection, the Press Service of Ukraine's National Bank announces that such a statement is totally groundless. The resolution of the question of the Ministry of Finance returning credits to Ukraine's National Bank, credits in the form of treasury bills, something that provided fodder for the fabrication about a credits emission, has nothing to do with its additional size. During this quarter, the National Bank, guided by the Supreme Council decree of 23 September 1994 providing for the National Bank crediting the government only by way of granting credits on the security of short-term treasury bills, and issued by the Ministry of Finance, granted credits to the Ministry of Finance within the scope of the size of the initial credits emission specified by the Supreme Council on the security of treasury bills—to be redeemed by 29 December 1994. Considering the issue of amending the budget for 1994, the National Bank raised the question on the need to ensure the redemption of the aforementioned treasury bills or postponement of their redemption with a provision for budget funds for that purpose. One should not, in any way, identify the size of the budget deficit with the government's debt to the National Bank, a debt guaranteed by treasury bills.

Ukraine's National Bank states with all accountability that it carries out initial credits emission within the limits specified by Ukraine's Supreme Council for 1994.

Masol on Financial Policy

AU3112145194 Kiev URYADOVYY KURYER in Ukrainian 29 Dec 94 p 2

[Report by Leonid Samsonenko: "Will the Government Resort to Yet Another Monetary Emission?"]

[FBIS Translated Text] After recording the program "Three Questions for the Premier," head of the Ukrainian Government Vitaliy Masol kindly agreed to answer questions by journalists of the Ukrainian Television and URYADOVYY KURYER on topical financial and budgetary problems.

In particular, answering the question on a possible additional monetary emission, authorized by the government, Vitaliy Masol stressed that, today, there is not enough money to purchase coal abroad, because the Ukrainian coal extraction industry has not fulfilled the plan for extraction of this type of fuel. What is better then—to halt the entire power engineering system and avoid inflation or emission, or to have an emission and purchase coal, which will enable our industry to function and people to live in warm houses?

The premier believes that an emission is necessary. Everything depends upon its size. The government does, in fact, have proposals for an additional emission. In particular, the coal industry asks for credits in order to increase coal extraction and not to buy coal with hard currency. However, according to Vitaliy Masol, there will be no additional emission by the end of the year, because Ukraine has now received a certain rehabilitation loan, a part of which will probably go toward resolving power engineering problems.

When will the hryvnya [new currency unit] be introduced in Ukraine? Opinions differ as to the need of

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introducing it, pointed out Vitaliy Masol, but it must be put into circulation first and foremost because there is no national currency in Ukraine. The time factor must be estimated by specialists based upon calculations and preparatory work and not upon speeches at rallies. A working group has been created by presidential edict and is now doing preparatory work.

The next question by the journalists concerned the presidential edict on lifting restrictions from cash settlements that allegedly came into effect in December 1994. First Vice Prime Minister Viktor Pynzenyk did mention its signing to journalists at the beginning of December, but, unfortunately, such a document has not yet, to this day, passed through the Presidential Administration office. What's the problem? Answering this question, Vitaliy Masol said that Viktor Mykhaylovych [Pynzenyk] had been too hasty in making that statement for the press.

This question is too involved, mainly because it opens up a broad avenue for laundering "dirty" money. I am in favor of increasing the volume of cash for purchases, stressed the premier, but only after a distinct mechanism for control is available, as well as corresponding restrictions. The financial system requires discipline, and not the spontaneity of market, as some people propose today, summed up his answer the head of the Ukrainian government.

Is the government preparing some innovations in the finance and credits system for the new year? Yes, a change in orientations in this sphere is being prepared, said Vitaliy Masol. However, it will mainly apply to the agrarian sector of the economy and not to businessmen. Until now, there has been no proper order in granting credits, stated the premier. In particular, the rise in bread prices was initiated by those organizations, which were, to one degree or another, involved in its production, and these organizations used the prime rate to pay the interest on credits. With such an arrangement, the banking system alone gained, whereas the population mainly suffered. This will not be the case in the future, stressed Vitaliy Masol. From now on, the production of bread will be like production from the producer's raw materials, and credits will be granted to a single enterprise.

Besides, in Masol's opinion, in 1995, it is also necessary to abolish the system of advance payments on the internal Ukrainian market, and this will partly remove the problem of credit resources.

Pynzenyk on Reform, Bank, Agriculture

WS3012154594 Kiev HOLOS UKRAYINY in Ukrainian 16 Dec 94 pp 6, 7

[Interview with Viktor Pynzenyk, Ukrainian first deputy prime minister for issues of economic reform, by Serhiy Lavrenyuk; place and date not given: "I Always Try To Offer Such Resolutions Which Would Restrain Price Increases"

[FBIS Translated Text] Problems of reforming the economy are currently worrying all of society, which is not strange given that success or failure of reform will impact each of us. What are our prospects; what is the cause of the current crisis; what is being done to improve the situation? Viktor Pynzenyk, Ukraine's first deputy prime minister for issues of economic reform, has answered these and other questions.

[Lavrenyuk] Perhaps you remember that immediately after Leonid Kuchma reported about signing an edict on your nomination, certain newspapers carried articles, the main theses of which were: "Pynzenyk has come—trouble will follow." As we can see, you are currently being attacked from both the right and the left. Why, in your opinion, is your name so often linked to such things as price increases, inflation, dropping living standards, and the like. How would you account for that?

[Pynzenyk] As for linking my name to price increases, I would like to say that the Cabinet of Ministers passed the resolution "On Price-Formation in the Conditions of Reforming Economy" on 21 October. Meanwhile, the president appointed me as first deputy prime minister on 31 October.

Thus, while reading those kinds of publications, one should be aware that the latter are being written to order, moreover, they are intended to afflict the president and not me. If one analyzes my present-day statements and things which I said earlier, when I was working in the [previous] government, it will become clear that I have always tried to suggest such resolutions which restrained price increases, or at least blocked them. In what way? By preventing [currency] emissions and limiting the budget deficit. Those are the reasons that lead to price increases. I have always taken that stance, and that is why I believe that the blame should not be put on me for the decisions made when I was not working in the government. The current decisions have been prompted by all the previous actions of the government, and a huge credit emission carried out by that government. Thus, it is my deep conviction that had it not been for the National Bank's skillful actions, last year's situation would have occurred in our state again. I think that at present, we will be able to block hyperinflationary processes.

[Lavrenyuk] What can hamper your actions?

[Pynzenyk] For instance, HOLOS UKRAYINY has recently published a statement by the communist faction, which in particular suggests that state control over foreign trade, currency exchange rates, and the like be established. Today, however, we can see for ourselves that the decision to unify the exchange rates was correct and well- considered, because the fixed rate was blocking exports and thus ruining domestic producers. Given that imports were calculated in accordance with the fixed rate, our prices were growing and as a result, our products were becoming noncompetitive. First of all, this affected the agrarian sector, given that imported agricultural products were sometimes cheaper than domestic ones.

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Or let us look at our relations with Russia: If we do not sell anything to the Russians (and we have made exporting economically disadvantageous), from where will get the funds to purchase gas and oil? Meanwhile, as we all know, all the left-wing factions are advocating the restoration of mutually advantageous ties.

Corruption is another topic which I would like to mention. When dollars are sold at different prices to different people, the element of corruption appears.

Today, we have every opportunity to initiate normal economic ties with other states; we have the opportunity to export products. As we have already pointed out, the more we export the more products will we be able to bring into Ukraine. Thus, there will be no work stoppages at those enterprises which depend on deliveries from abroad. Another problem is that of working capital—plants cannot export and sell their products because the market is in Russia. As a result, the products are not being sold, which gives rise to the problem of working capital.

To this we should also add protectionism in our national economy, because we erect barriers against competition from Western products. Liberalization of exports is, however, impossible without the unification of hard currency exchange rates. Why? If prices are not freed, neither can exports be liberalized, because this may create opportunities for embezzlement using the difference between domestic and world prices. If prices are freed and rapid exports of products begins, domestic prices go up, and it becomes profitable to sell products locally and buy dollars at the currency exchange. That is to say, the self-regulation mechanism will start to function.

I would like to emphasize again, however, that liberalization does not amount to administrative price increases. Liberalization means that we should take expenditures under our control, that prices will become an indicator acknowledged by consumers, and that manufacturers should orient toward that. To my regret though, prices in many oblasts have simply been increased and not freed. Moreover, very often the worst farms are selected among kolkhozes, prices are adapted to their prices; and it is hard to sell products then. Thus, we will demand that prices be freed and not brought up. Then we will we have a target, due to which we will be able to see whether producers do not exceed the planned production costs. If not, the producers will have to either bring prices down to sell the products, or go bankrupt. Who has to pay for the poor performance of enterprises? Pensioners, children, the disabled? That is why enterprises have to undergo restructuring which will determine which of them can survive and which have to go bankrupt and be transferred to private owners.

[Lavrenyuk] As we know, while making calculations of the rate of price increases, the Ministry of Economy used the fixed dollar exchange rate. Yet we can see that even under those conditions, liberalization resulted in excessive price increases. Are we not standing on the threshold of a recalculation and a new spiral of price increases?

[Pynzenyk] First, nobody is currently taking into account the fact that the National Bank has undertaken tough monetary limitations. This is not what we had in the past, when liberalization of prices led to new credit injections. There will be no injections now, given that the National Bank has limited the volume of credit investments.

Second, this course affects a very limited number of products, also because oil, and partly gas, are being purchased at true prices already. Besides, 72 percent of turnover belonged to barter operations, that is to say here, too, we had the actual correlation. Thus we have all grounds to hope that if we do not make some populist decision, prices will grow to an even lesser degree than has been envisioned in Ministry of Economy estimates.

[Lavrenyuk] Do you mean that this can be obtained if we scrupulously follow the adopted program?

[Pynzenyk] Yes.

[Lavrenyuk] Could you provide an outlook for the scenario which may take place provided that the proposal expressed by the communist faction is implemented? It, in particular, includes controls over exports, currency exchange rates, and the like.

[Pynzenyk] To implement the program suggested by the communists, Russia would have to deliver oil and gas to Ukraine for free. We have already tried to control exports and what did we get? Nothing but corruption. The point is that all kinds of permits were invented for bureaucrats to get rich. I would like to be a populist myself and say: Let us pay people salaries equal to $1,000. But what would come out of it? This is exactly what we were doing over the last two years. Do we have the right to repeat something which produced very negative results?

[Lavrenyuk] One can hear the following opinion these days: When Zvyahilskyy was acting prime minister he traded what he could, but he also restrained the karbovanets exchange rate. This is sometimes considered his accomplishment. How would you comment on that?

[Pynzenyk] Some two or thee months ago, before my appointment to the government, I used to say that all the positive changes in Ukraine are exclusive accomplishments of the National Bank and not the government. It was the National Bank that dared to introduce tough monetary restrictions. However, what happened then? In September for instance, 90 percent of the debt for the refinanced National Bank credit was owed by the government. Why? The government was constantly increasing the volume of subsidies for coal and did not pay salaries to doctors, the Army, and teachers—the entire budget sphere. As a result, the budget owes 60 trillion karbovantsi [K] in promissory notes to budget

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organizations. What could be the outcome of this policy? In the summer, purchasing prices for grain went up again and more emissive injections had to be made to restrain them. Meanwhile, emissive injections amount to price increases and besides, they produce disastrous anomalies in the economy. What was bound to happen, then happened. We are currently balancing and can either make steps which may draw Ukraine into lengthy hyperinflation or stick to the scenario of restrained inflation. At present, all our actions are aimed at keeping inflation under control. How would we pay salaries to servicemen, for instance, if almost the entire budget was spent on subsidies? Those disproportions, which are a result of the government's past activities, were dramatically evident in August: The deficit of both the state and consolidated budgets swelled. At the same time, the expenditures of both the state and the consolidated budgets were twice as high as revenues. The situation deteriorated even further in September.

[Lavrenyuk] Incidentally, speaking about the budget, we remember that at the beginning of the year, when that issue was discussed by the Supreme Council, it was decided to review it every quarter. However, the legislature only recently found an opportunity to do that. Can we expect that the Supreme Council may start discussing the 1995 budget in the immediate future?

[Pynzenyk] As you know, the Supreme Council has already discussed the verified budget for 1994; and we have also started working on the 1995 budget. We are going to draft in line with the new principles, that is to say that three documents will be simultaneously drafted—the forecast, the budget, and the basics of monetary policy. (The concept of that approach was worked out back when I was working in the former government, but it was rejected then). This would give us a chance to have exact quarterly parameters, which is very important for the Ministry of Finance, given that our budget is calculated in basic prices, and due to that the planned allocation figures have never been observed. But if we make precise quarterly calculations in accordance with inflation rates, we will also protect the minister of finance. He will be able to say then: I have, say, K10 trillion and I cannot spend a single kopeck beyond that sum, for if I do that I will be dismissed tomorrow. This is very important for both the balance and control over the use of budget funds.

[Lavrenyuk] You have mentioned a couple of times that you used to work in the previous government. You probably can compare the former and the current governments' professional qualities and abilities to conduct reform. In particular, we remember how Oleksandr Yemets abandoned that government saying that it was unable to work normally. Besides these days, one rather often hears opinions that the current government will not last long. Why, then, have you agreed to join it?

[Pynzenyk] Of course, I realize very well that this is not the kind of government I would like to see. There are problems with forming a team, yet we already have the core, which is capable of making appropriate decisions. As for my consent to join the government, I would explain it in the following way: I am determined to undertake those measures about which I spoke when I was working in the government, after my dismissal, and when I was running for Supreme Council deputy. Thus, after I heard the president's declaration which proclaimed almost the same things that I want to achieve—not just proclaimed, the president has started taking proper steps —what reasons do I have to say now that I would be doing the same things provided I was given extraordinary powers? [sentence as published] That is why when the president offered me to begin working in such a situation, I agreed. I understand well that we have no other choice than to support the president's actions and help him conduct reform.

[Lavrenyuk] Going back to the president's program, could you tell us which chapters you personally drafted?

[Pynzenyk] I read the entire document a couple of times and made appropriate corrections. Thus, I said before and I say it now that the program can be further corrected from the technical angle, but the same can be said about every document. Even if I personally wrote a certain program I cannot rule out that I might want to make certain changes to it two or three days later. For instance, I would make very serious corrections to the document which I once drew up for the Ukrainian Fund in Support of Reform. This is only natural. That is why it is clear that the presidential program could not envelop all problems at once.

[Lavrenyuk] What options, in your opinion, have been left out?

[Pynzenyk] Not speaking about options, I would only like to point out that I have recently requested that more than 50 enforceable acts be drafted. And by far, that is not all. For instance, I have met Kiev entrepreneurs and they asked me a lot of questions which demand expeditious resolution. A lot of wise proposals were voiced during my meeting in Zaporizhzhya with managers of enterprises who are members of the Interregional Entrepreneurs' Association. It is during such meetings that a lot of problematic issues arise. Unfortunately, in our country instructions take precedence over laws, and I virtually cannot keep track of them, just as I could not before. Meanwhile those people who are dealing with those problems on a daily basis, point to the problems at once.

[Lavrenyuk] Could you analyze in greater detail the principal problems which demand immediate resolution? Or at least the major tiers of problems.

[Pynzenyk] I would name a few. First, social protection. We must create a very transparent and effective system of social protection—primarily in organizational terms, for poor people do not know today where to turn for help. That is why I believe that a single social service

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should operate throughout Ukraine; and we should not spare funds on its activities. Second, we must maximally simplify the system of receiving allowances so as not to make people present 10 certificates to receive one kind of allowance and another 10 certificates to receive another kind. Meanwhile, we have 16 assistance systems, and tell me: How can people have time to receive them? That is why those systems should be unified, made transparent and available. There are other things that must be done in the social sector. This, for instance, concerns the consumption fund. I think that as soon as we somewhat curb inflation, we should give plants permission to pay salaries as high as they wish. However, this should be done not at the expense of credits but at the expense of the products sold. We will also use privatization to compensate people for losses caused by inflation.

In the second tier I would include the issue of control over the use of budget funds. We would like to introduce the following principle: Every ministry should report on how and where it spends funds. We must change the system of budget management, create a national treasury, and change the system of bank services, because K30 trillion are "wandering" somewhere in the budget and nobody knows where they are. We must find them and make them work for the budget, given that those are credit resources, for the use of which we have to pay. The same applies to non-budget funds.

In the third tier I would include tax legislation. Almost all the laws should be reviewed and liberalized. Ungrounded breaks should be eliminated, yet at the same time—by lowering tax rates—tax breaks should be provided to everyone.

The fourth tier is connected with resolving the problem of nonpayments. I mean that this should include mandatory formalization of all unpaid deliveries by issuing promissory notes; the sale of debtor obligations; mortgage of state property to receive credits; mutual clearing of debts among enterprises; mutual clearing within the balance of individual banks; mutual clearing between enterprises and the budget; annulment of preliminary VAT payments for import operations; and finally, perhaps, elimination of the division between cash and noncash funds; as well as other measures.

The fifth tier is connected with the competitiveness of our products. Prices in Ukraine have more or less been liberalized and we, unlike in Russia, are virtually living under conditions of world prices. This means that many enterprises may face problems selling their products. On the other hand, the enterprises have only 20 to 25 percent of proper workload, while depreciation is calculated based on the entire capital. The enterprises can hardly bear this burden. In this situation, they should be permitted to sell excessive property, lease it, and attract private capital on certain terms. In certain kinds of production, however, where stiff competition is anticipated, we may have to introduce import customs duties. Yet this should be done with caution, so as to avoid preservation of outdated hardware and technologies in Ukraine.

[Lavrenyuk] How is your cooperation with the National Bank going? In general, what is your vision of the National Bank's status?

[Pynzenyk] Never before have I had equally wonderful relations with the National Bank as I have now. This does not imply that there are no conflicts. Conflicts do occur and, in certain technical details, they are quite large. But we also have a normal style of work; we can openly express our opinions and find acceptable resolutions. For instance some time ago, we somewhat corrected the activities of [currency] exchange outlets; we were unanimous with regard to currency exchange. That is to say, in my opinion, the National Bank is currently making proper decisions, and in light of this, attacks on the National Bank may have very negative consequences. I would like to emphasize again—the National Bank is currently operating as efficiently as never before, and God save us from attempts to undermine its activities. As for its subordination, I believe that the National Bank does not have to be subordinated to anyone; it should simply be responsible for monetary policy. For what is the National Bank currently being blamed? For somebody's failure to pay for [received] products. According to the law, however, the National Bank should only be blamed for inflation, given that the primary goal of its activities is stability of the monetary unit. Thus, when the bank is making steps toward stabilizing the monetary unit, it should be praised and not condemned.

[Lavrenyuk] Finally, I would like to hear a couple of words about the presidential edicts on privatization and land reform.

[Pynzenyk] The new concept of privatization is oriented toward free transfer into Ukrainian citizens' possession of the property of large and medium-sized state enterprises, in exchange for cash privatization vouchers. But that property has been divided into two categories: Some 70 percent of it would be privatized in accordance with the procedure formerly envisioned by legislation, and 30 percent will be used to compensate for losses of people's savings deposited in the Savings Bank.

Another norm is envisaged: Decisions regarding privatization will be made solely by the Ukrainian State Property Fund. Meanwhile before that, a lot of red tape had to be cut and countless documents had to be signed. From now on, the State Property Fund will be the sole body with both appropriate powers and responsibilities.

As for the presidential edict "On Urgent Measures on Expediting Land Reform," I believe that this is still more proof of the president's determination to pursue the course of reforms by making one step forward every day. As was expected, it met with dubious reaction. Yet I would like very much to attract your attention to the

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reaction on the part of agrarian deputies—most of them unanimously support the provisions of the edict. I would like to emphasize that those are the deputies who, for some reason, have always been considered the most conservative parliamentary group.

There are two reservations with regard to the edict. The first concerns the fact that the edict violates the principle of equality of citizens, given that not all of them will participate in the land privatization. However, I think that those who have visited our villages and have seen the conditions under which our peasants have been living, who saw their weary hands, thanks to which we still have bread, meat, and milk; those people will agree that by giving land to the people cultivating it society will—at least partially—repay its debt to peasants.

I would like to straightforwardly say, however, that the edict does not intend to ruin kolkhozes and sovkhozes. I believe that we cannot use forceful methods in that field, because the experience of other states testifies to the fact that this would have rather negative consequences. Thus, this process should be carried out naturally. I, for one, am sure that nobody will want to separate his land from a good kolkhoz, given that [agricultural] machines and other material resources, too, were designed for operation on vast areas of land. However, there are [collective] farms which, due to redivision of revenues, receive what has been earned by profitable farms. Given that this will not occur any longer, such farms should be transformed into new structures by applying the mechanism of secondary privatization; or else the workers at such farms might use their shares to create separate farms. I would like to point out in this regard that in Transcarpathian Oblast, for instance, rumors are being spread to the effect that those who would choose to take land and become individual farmers, will lose state pensions. I declare that this is a sheer provocation and the Ukrainian Security Service must find out who is spreading such rumors.

[Lavrenyuk] Thank you for the interview.

NPT Seen as 'Main Event' in 1994

LD3012164394 Moscow INTERFAX in English 1453 GMT 30 Dec 94

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Kiev, Dec 30 (Interfax)—The joining to the Nuclear Non-Proliferation Treaty is the main event for Ukraine in the outgoing year.

"The step has drastically changed the attitude by many states to Ukraine, which constantly risked to be in isolation or be subjected to international sanctions, chief of the foreign-policy department of the Ukrainian president's administration Vladimir Furkalo, told Interfax on Friday.

"Ukraine enters the third year of its independence as a full-fledged member of the world community," said Furkalo. This period—three years—indicates that the state deserves that it be considered sovereign and independent."

He said that in 1994 Leonid Kuchma was elected president of Ukraine. "This dramatically changed attitudes to shaping Ukraine's foreign policies, which made accent on pragmatism," said Furkalo.

He said that "with the coming of Kuchma, Kiev gave up the unilateral orientation in its foreign policies, it gave up sticking to one or a group of countries." The initial period of euphoria, romanticism and vain hopes has gone. We soon saw that no one would rush to help us. We floundered and "swam out' by ourselves," he said.

Furkalo said that relations with Russia have been and will be of top priority for Ukraine. "We have made our choice: Ukraine and Russia should be good neighbors," he said.

The expert also spoke out in favor of the all-round development of economic relations with CIS countries, primarily with Kazakhstan, Uzbekistan, Turkmenistan and Belarus.

To prevent Europe's another split in two blocs is one of the main tasks for 1995, believes Furkalo.

Nuclear Power Discussions Continue To Conflict

WS0201114995 Kiev KIYEVSKIYE VEDOMOSTI in Russian 23 Dec 94 p 20

[Article by Valentin Smaga: "Should the Chernobyl Plant Be Restored With the Money Given To Close It"]

[FBIS Translated Text] Green Peace Ukraine has sent an interesting document to our newspaper. It is "The Joint Declaration" signed in Italy on 28 September by Ukrainian Deputy Prime Minister Valeriy Shmarov and Antonio Puri Purini, Italian minister and head of the G-7 working group for nuclear security. The declaration directly states that an agreement was made to close the Chernobyl Nuclear Power Plant and to reform the Ukrainian power engineering sector, increasing its efficiency thanks to energy- saving measures. Toward this end, broad international financial and technical assistance was pledged...

Ukraine, as stated in the Plan of Joint Action attached to the declaration, committed itself to "shut down the No. 1 reactor at the Chernobyl station as soon as possible, sometime between 1995-96, and reactor No. 2—no later than 1996-97, and to not activate station reactor No. 3."

In reality, something completely different is happening. The Chernobyl nuclear plant is being upgraded, a new presidential edict ordered intensive development of the nuclear industry, and the country has been stricken by a severe energy crisis.

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Why is this happening? Why is Ukraine not making good on the commitments it assumed in Italy?

Nur Nigmatulin, first deputy of the Ukrainian State Atomic Committee: If anything, "The Joint Declaration" represents more than just historical interest. The country's energy situation has deteriorated radically, which inevitably affects our relations with G-7 countries. On 13-14 December, as designated by the Cabinet of Ministers, I headed a working group of officials from Ukrainian ministries and institutions at a meeting with G-7 nuclear security experts, chaired by the Italian minister Surda [not further identified]. The negotiations came down to a discussion about the fate of the Chernobyl station. We said that Ukraine is currently short some 3 million kilowatts of needed electricity. Already, the frequency of electricity in the circuit has fallen to 49.2 Hz [as received], instead of the required 50 Hz. With the Chernobyl plant "turned off," the frequency will drop to 49 Hz, leaving the country's energy system in a shambles. Because of security considerations, we would have to "relieve" nuclear units, which are now carrying the heaviest burden, and disconnect entire cities, plants, and factories. At the news of the station being shut down, its experts will go to work at other stations. Who then will be there to shut down the plant? And according to what plan? No one in the entire world has ever handled this kind of task before...

In exchange for their, let us say, recommendations regarding the Chernobyl plant, the G-7 experts promised to assist us in commissioning unit No. 6 at the Zaporizhzhya Nuclear Plant, unit No. 4 at the Rovno Nuclear Plant, and unit No. 2 at the Khmelnytskyy Nuclear Plant. This, however, will not compensate for our lost production for another two or three years. Plus, what about now? We came up with a counter proposal: Let the G-7 countries help us build two new modern nuclear units near the Chernobyl station. It was not taken seriously, though.

Ukraine was offered 400 million ECU in credits to put into operation new units, the construction of which was suspended by the legislative moratorium. In addition, we were promised a $200-million grant to devise a project to decommission the Chernobyl facility and an additional $100 million in credits to upgrade hydroelectric stations.

By the way, Spain is going to spend as much as $500 million to decommission a 500-megawatt unit. Each unit at Chernobyl has double that capacity, namely 1,000 megawatts. Nevertheless, they give us half the money that Spain is going to spend.

I think that this approach is completely unrealistic. In the present situation, a shutdown of the Chernobyl nuclear plant would cause serious damage to Ukraine. The national power engineering sector is in a catastrophic situation as it is. Due to fuel shortages, thermoelectric stations are operating at only 40 percent of their capacity. They operate with obsolete equipment. Had it not been for the utterly populist moratorium imposed by parliament on the construction of new reactors, they would have started to generate electricity by now. Thank God the moratorium was lifted. But more time was lost, and the crisis is worsening.

I think that the G-7 group should adopt a more realistic approach to the Ukrainian power engineering sector and really help us, instead of getting "hooked" on the Chernobyl problem.

Volodymyr Usatenko, consultant to the legislative "Chernobyl" commission: Following the meeting in September, Ukraine is fulfilling the obligations it assumed in Italy with the "opposite" precision. Experts with whom I happened to talk, shrugged their shoulders with surprise. As a matter of fact, Ukraine demands financial compensation and technical assistance to recover the energy capacity that was lost during the Chernobyl station's period of inactivity. Investing in new capacities at a time of economic crisis is considered insanity throughout the world. It was estimated that even with the most favorable scenario of future developments, we will not be able to recover our level of energy consumption to 1990 levels before 2110.

The joint plan of action, attached to the above declaration, provides for international assistance in reforming management within the power engineering sector. We, however, have split our power engineering sector into two parts. Nuclear power engineering is subordinated to [Defense Minister] Valeriy Shmarov, while thermoelectric engineering is under his colleague, Deputy Prime Minister Dyuba. We promised to strengthen a body providing state management over nuclear safety. The Ukrainian Committee for Nuclear and Radiation Safety was instead subordinated to the Ministry of Environmental Protection, which is virtually deprived of any rights.

We made a commitment to not launch the No. 2 reactor at the Chernobyl station, while preparations to start it are in full swing. Instead of an energy-saving strategy, we adopted a plan for developing nuclear power engineering and are working on an insane project to install the full nuclear cycle in the country, ranging from producing fuel to burying radioactive waste.

As a result, the power industry has become practically unmanageable, making the energy crisis even more acute. The State Atomic Committee spent the lion's share of its budget funds to purchase fuel for nuclear power stations, with the remaining money being given to thermoelectrical plants. This has put the national single energy system in a catastrophic situation. Available coal supplies are only enough for 20 days. Without additional coal, for which there is no money, thermoelectrical power stations will have to be stopped. Notably, these stations serve as principal power regulators during load changes in the consumption energy circuit. Nuclear power stations, especially with their level of safety, should work in the base mode [bazovyy rezhim]. At present, those stations will have to assume regulatory

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functions, which poses the threat of another or even several more Chernobyl-like accidents.

Unharnessed expansion of activities by the nuclear ministry would strip our power engineering sector of international assistance and lead our country toward economic and environmental catastrophe.

Chernobyl Reactor Closes for Repairs

LD0201135495 Kiev UNIAR in Ukrainian 1245 GMT 2 Jan 95

[FBIS Translated Text] Kiev, 2 Jan —The sixth turbogenerator of the third generating set at Chernobyl nuclear power station has been halted for planned repairs.

Space Agency Plans To 'Increase Gains' in 1995

LD0201114895 Kiev Radio Ukraine World Service in Ukrainian 1100 GMT 2 Jan 95

[FBIS Translated Text] Ukraine's National Space Agency is counting on increasing its gains this year, above all in the practical field. This is the outlook as seen by Andriy Zhalko- Tytarenko, the agency's acting director general. In today's [2 January] interview for the Novyny television and radio agency he emphasized Ukraine's interest in deepening international links in studying space and using it for peaceful purposes. Several joint projects with NASA [National Aeronautics and Space Administration] have already been drawn up, and agreements are being prepared on cooperation with Great Britain, Russia, and China. The launch of the first Ukrainian satellite, which will have official UN approval, is also planned for 1995.

Navy Commander on BSF Remaining Issues

WS0201155695 Kiev KHRESHCHATYK in Ukrainian 23 Dec 94 p 2

[Interview with Vice Admiral Volodymyr Bezkorovaynyy, commander of the Ukrainian Navy, by Captain Mykola Savchenko, head of the Ukrainian Interior Ministry press center; place and date not given: "Stumbling Bases"—first paragraph is KHRESHCHATYK introduction]

[FBIS Translated Text] Another round of Ukrainian-Russian negotiations on the Black Sea Fleet took place on 14 December. Vice Admiral Volodymyr Bezkorovaynyy, commander of the Ukrainian Navy, comments on their status.

[Savchenko] What is the main problem that was not resolved at the Ukrainian-Russian negotiations on the Black Sea Fleet?

[Bezkorovaynyy] The problem of bases and the infrastructure. The Russian delegation lays claim to virtually the entire Crimean infrastructure. It insists that the Russian Navy should use Kerch, Feodosiya, Sevastopol, Yalta, and Yevpatoriya, as well as airfields throughout Crimea for its stationing purposes.

Our assumption is that following the collapse of the Soviet Union, no bases were left in the Black Sea where ships could be moored. We agreed to temporarily give over such a base in Sevastopol and the Southern Bays. To service ships and establish command structures, we can lease a required portion of the infrastructure adjoining those bays. Our proposals were presented to the Russian delegation for examination.

[Savchenko] Where will the Ukrainian Navy be stationed?

[Bezkorovaynyy] The Ukrainian Navy will be stationed in the small bays of Kerch, Feodosiya, and Balaklava, the Lakes of Donuzlav and Chornmorske, as well as in Karantynna and Striletska Bays in Sevastopol. It appears there are many such sites when you add them up. However, those bays can handle less than one-third of the capacity of Sevastopol and Southern Bays. We intend to jointly use part of the infrastructure required by the Russian and Ukrainian Navies, rendering services to the former.

[Savchenko] Did you examine the issue of on-shore troops?

[Bezkorovaynyy] Our position is firm: All the on-shore troops should be divided down the middle, 50-50. The Russian portion will have to be removed [from Ukrainian territory] by the end of 1995.

[Savchenko] What is the Russian position on this issue?

[Bezkorovaynyy] Russia agreed on the complete removal of the 126th division of the Coast Guard. What is being discussed is the question of how to leave the 810th brigade of the Marines in Sevastopol. As for the Coastal Rocket and Artillery Troops, we have not yet arrived at any solution. Still, one must be reached, otherwise international agreements will be violated on the reduction of conventional weapons in Europe. In this case, those issues will be tackled with the participation of a third party.

[Savchenko] What can you say about the Air Force of the Black Sea Fleet?

[Bezkorovaynyy] This problem resembles that of the on-shore troops. The Russian Federation has enough of

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its own airfields in Krasnodarskyy Kray, where the rocket, anti-submarine, and attack aviation wings can be stationed. We agree to extend the airfield in Kach for on-deck [palubni] helicopters and one subunit of the cargo aviation wing. The issue of the Black Sea Fleet aviation wing is also included in the previously signed agreement on the reduction of conventional arms in Europe, and it needs to be settled by the end of 1995.

[Savchenko] When examining the above problems, do you take into consideration their social aspect?

[Bezkorovaynyy] Of course. After we resolve the above issues, we will begin working at the level of experts to devise a mechanism for dividing arms and military equipment, and most important, to resolve social and legal issues. People should be socially protected.

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Belarus

Chyhir Speaks on 1995 Budget, Forecasts

LD3012195494 Minsk Radio Minsk Network in Belarusian 1700 GMT 29 Dec 94

[Report by Belarusian Prime Minister Mikhail Chyhir on the 1995 budget to a Supreme Soviet session in Minsk on 29 December—live or recorded; Chyhir speaks in Russian]

[FBIS Translated Text] The work on forecasts of socio-economic development of the Republic was preceded by a large volume of analytical work carried out by the Cabinet of Ministers, ministries, central administration bodies, and commissions of the Supreme Soviet of the Republic of Belarus. During the work numerous calculations, based on the analysis of various external and internal factors, were made. First of all, those calculations concerned inflation, the problem of debts for energy-carriers, possibilities to receive the most important strategic resources from outside the republic, and the search for rational ways to sustain the living standards of the population and its social protection. The forecast's indicators were put into the basis for developing the state budget of the republic for 1995. The measures taken by the president and the Cabinet of Ministers in order to perfect the management of the economy make it possible to predict a slow down in the rate of economic slump, a certain financial stabilization, and the strengthening of the national currency. On that basis macro-economic indicators are also predicted.

It is predicted that the Gross Domestic Product in comparative prices will drop 4-7 percent in relation to the level of 1994, the industrial output—by 6-9 percent, the physical volume of produced national income will be down on 1994 by 5-8 percent. In the new year it is planned to continue the structural changes in the industry. The largest output increase in comparison with the traditional industries is expected from instrument-making and radio electronics, within 4 percent. A certain drop is expected in the output of the chemical industry. On the basis of these forecasts, the total production volumes in machine-building in 1995 will be close to the level of this year. It is expected to increase production of domestic, radio-electronic, industrial and optical appliances, medical equipment, and technological equipment for processing industries oriented on the agricultural sphere. Production of consumer goods is forecast in comparative prices to be approximately at the level of this year. Production of goods, which will be able to compete on external markets, will increase. It is envisaged that light industries enterprises will increase production volumes.

In order to ensure the normal functioning of fuel and energy complex it is planned to purchase in 1995 about 10 million tonnes of oil and 14 billion cubic meters of natural gas. The planned growth of the gross agricultural product will be within 5 percent. It will be necessary to import from outside the republic about 1.8 million tonnes of grain. The production of sugar is planned to reach a volume of 125,000 tonnes, and about 200,000 tonnes of sugar will be imported. In order to prevent a sharp decline in the consumption of main foodstuffs, in 1995 it is planned to preserve obligatory deliveries of agricultural produce for state needs approximately at the level that existed in 1994. In 1995 it is envisaged to enlarge the scale of external economic activities as the main direction in stabilization of the economy. The main factor in stabilization and creation of conditions for further development is external financing. It is planned to attract foreign credits to the tune of up to $900 million, which is 2.8 times more than in 1994. The execution of the German and Austrian credit lines will continue. The execution of the Swiss credit line will begin. It is envisaged that we will receive from the IMF a credit of up to $330 million for the system transformations program, from the European Bank for Reconstruction and Development—$120 million as part of the second rehabilitation loan.

The rate of stabilization and reform in the economy in 1995 will depend in many ways on the progress of privatization, the improvement in management of state enterprises, the formation of the market infrastructure, anti-monopoly regulation and support for business, as well as keeping and expanding markets. The problem of the social protection of citizens assumes a major importance. The main task in that sphere in 1995 is the creation of economic and legal conditions that will stimulate high productivity work with simultaneous individual social assistance to the most socially insecure strata of the population. There are provisions for the indexation of the income of the population and review of the size of the minimum wage and other payments on the basis of the growth of consumer goods. It is planned to take measures that will ensure that wages grow faster than other income. In 1995, alongside the planned 3.9-fold growth of prices on consumer goods, the size of an average wage of blue and white collar workers and collective farmers will increase 3.2-fold and will amount up to 300,000 rubles. The wages of employees engaged in the social sphere, health, education, science, arts, and scientific support are forecast to grow faster. If we are to speak about the budget, it is based on the indicators of the forecasts. The government has considered and assessed various approaches to its formation. Its materials and (?drafts) have been carefully studied by the president of the Republic of Belarus and the Supreme Soviet commissions. All critical notes and proposals that were received by then were studied comprehensively by the Cabinet of Ministers and taken into consideration where possible.

However, I should say frankly that there is very little room here for maneuvering because all the proposals are based on [words indistinct] tendencies: On the one hand, to reduce taxes and respectively receipts into the budget and on the other, to increase this or that expenditure item. It is impossible to do it simultaneously. We have

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looked for optimum variants that are included in the draft budget for 1995 that has been presented to you. Only provided that a healthy financial fund is established for reforms, which will activate market mechanisms, is it possible to stimulate development of enterprises and regions. The structure of [words indistinct] for 1995 remains mainly the same as it was in the past year. At the same time, the influence of certain sources of income and the volume of certain expenditure points have changed. The tax on profits, which is 29.2 percent of the total sum of income, the VAT—28.7 percent, [word indistinct]—12.9 percent, income tax from the population—7.2 percent, the Chernobyl tax—5.9 percent, the fuel tax—3 percent, remain the main sources of receipts into the budget. The income part of the budget has been formed taking account of the changes to the legislation on taxation. I will not go into detail describing all income items of the budget. I will just note that the main (?consequence) of changes to taxation is the drop in the level of exaction of resources into the budget and rationalization of functioning of the legislation on taxation. Unfortunately, so far the relief from the taxation pressure is not considerable but still, we should admit, it is in progress. The income of the (?consolidated) budget for 1995 has been established at 21.3 trillion rubles. This is the 2.9-fold growth on the amount expected for 1994. When the income part of the budget was formed, account was taken of the need to increase the productivity of national industries and observe the economy's regime. In the conditions of extreme sparseness of financial resources, the social orientation of the budget remains. About half of its expenditure, i.e. over 10 trillion rubles, is to be directed on financing the social and cultural sphere, targeted social programs, measures for social protection of the population, payment of subsidies on municipal services, and passenger transport. The detailed information on expenditure is provided in the materials that have been distributed to you. Therefore, I will dwell only on some points of expenditure items.

It is planned to ensure the growth of wages in all branches of the social sphere by 3.9 times. The expenditure for capital investment, purchase of equipment, tools, capital repairs of buildings is envisaged for this sphere to grow 3-fold. It is noteworthy that expenditure on medicines and food has been increased, in comparison with the initial draft, on recommendation of the commissions of the Supreme Soviet, by 70 billion rubles. Expenditure on development of cultural establishments will grow 3.6- fold. The budget plans to allocate 353 billion rubles on financing special social programs and measures, out of which 1.6 billion—on implementation of the program of development of the Belarusian language, on social protection of internationalist servicemen [those who served in Afghanistan]—17 billion, on implementation of the program of help for the elderly—10 billion, on implementation of the programs catering for disabled people—2 billion, on celebration of the 50th anniversary of the victory in the Great Patriotic War—10.5 billion rubles.

In the current difficult conditions, the survival of Belarusian science, moreover, its revival, is possible only with state support. The draft state budget for 1995 envisages allocating a six-fold increase for science. The bottom limit for expenditure on scientific work will be 3 percent of the income part of the republic's budget. It is planned to direct 158 billion rubles of capital investment toward support for the material base of the education system, including from the republic's budget—37.8 billion rubles. At the same time, the construction of a number of facilities that began in the previous years will have to be (?frozen), or some facilities will even have to be mothballed because of limited financing. The budget resources in capital construction will be concentrated on pre-launch facilities and facilities that have a significant degree of readiness. The reduction in volume of budget financing is expected to be compensated by additional resources of enterprises in connection with the supposed 100 percent relief from the tax on profit that is spent on investment, as well as by resources of the industries' investment funds and bank credits.

As already noted, in the draft budget there are provisions for dramatic reductions in subsidies of various kinds. Financial and material assistance to the population in the Chernobyl zone is preserved, as well as on municipal services and transport for the population. [Word indistinct] the line will be followed for their fazing out. Any deviation from this principle can lead to the collapse of the budget and aggravation of inflation. On the other hand, [words indistinct] will be strictly controlled by the state and followed by corresponding (?adequate) measures of social protection.

However, I must admit with regret that it is difficult to expect full compensation for the whole population. State help will be selective and oriented toward the population with a low level of income. A special place in the budget's expenditure is given to the agrarian complex. Direct budget subsidies are [word indistinct] envisaged to the tune of 1.9 trillion rubles, out of which for financing the republic's complex food programs - 740 billion, for implementation of anti- flood measures along the floodlands of the Rivers Pripyat and Goryn—31 billion, for financial assistance for peasant's farms—41 billion. Altogether, including the expenditure on the Chernobyl program and the social and cultural sphere in the countryside, the agro-industrial complex will receive 4.6 trillion rubles, or 29.6 percent of the whole expenditure part of the budget, while the law of the Republic of Belarus on priority development of the agrarian complex stipulates 20 percent.

Allocations from the budget to the state administration bodies are forecast at the level of 413 billion rubles. At the same time, the work on perfecting the administration structure, which began this year, will continue. Its main principle will be the creation of a highly professional and [word indistinct] administration apparatus that is able to ensure maximum effectiveness. One of the most difficult items of the budget is the issue of expenditure on

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defense. Its percentage of the gross domestic product is preserved at the level of this year, i.e. 1.3 percent. If we take into account that almost half of the whole military budget is spent on payment of financial allowances to the military and their wages, a question arises on the possibility of sustaining the current size of the Armed Forces of the republic. We will have to return to this problem, because the ability of the state to preserve the number that we have today is extremely limited. It is necessary to plan measures of social protection of servicemen when this issue is solved. Speaking about the expenditure on law-enforcement bodies, one should note that today the state is not able to provide for [word indistinct] prisoners numbering 50,000 people. The total sum of income and expenditure determines the budget deficit at [figure indistinct] trillion rubles. [Passage indistinct] At the expense of external [word indistinct], in this case it will be IMF and World Bank credits. Their percentage will be [figure indistinct] percent of [words indistinct].

At last we intend to develop intensively a financial market of the republic (?placing on it) state securities. Thus [words indistinct] the role of the budget in fighting inflation lies, first of all, in restricting budget expenditure, the most severe economy of state resources, and gradual transformation to a civilized method of budget deficit.

Supreme Soviet Approves Budget

WS3012135094 Minsk Radio Minsk Network in Belarusian 1300 GMT 30 Dec 94

[FBIS Translated Text] The session of the Belarusian Supreme Soviet continued its work in Minsk today. The people's deputies changed the agenda slightly, starting their plenary meeting a half hour earlier. No reports were made by legislators on the traditional miscellaneous issues. All of the 249 deputies assembled in the Oval Hall immediately started to examine the central issue—the state budget for 1995. About 20 people's deputies presented their point of view on the draft budget. Many proposals and amendments were proposed, with all deputies who took the floor requesting increased budget allocations for the industry that they represented. Belarusian President Alyaksandr Lukashenka also took the floor during the session. Several proposals were made regarding the fate of this document. The Republic's state budget for 1995, however, was put to a vote and approved in its first reading. This concluded the work of the Supreme Soviet session.

The deputies will gather again and resume their session on 9 January 1995.

Ministry Details Economic Statistics

WS0301113695 Minsk BELAPAN in English 1600 GMT 2 Jan 95

[FBIS Transcribed Text] [no datedline as received] The Ministry of Statistics and Analysis has summed up the economic results for the first [word indistinct] months of 1994. For instance, Belarus' GDP totalled 16,753 billion rubles [R], which was 22 [word indistinct] less compared to the same period of the previous year. The industrial output accounted for [word indistinct] percent (in November—98.1 percent). The greatest drop was observed in the fuel industry [words indistinct] material production and light industry. The least—in food production. In November [words indistinct] ferrous metallurgy, machine-building, metal-working, wood-working, fuel, timber industry, as well as the pulp and paper industry worked ahead of the previous year's schedule. In January-November, 1994, consumer goods production accounted for 83.1 percent, foodstuffs 86.7 [words indistinct] non-foodstuffs—78.5 percent, against the same period of 1993. Agricultural output decreased by 14 percent, compared to the previous year. The production of cattle- breeding shrank [words indistinct]. The profitability of the Belarusian economy totalled only 13.4 percent, industry—14 percent, and agriculture - 32.2 percent.

The foreign trade turnover of Belarus totalled R13.9 trillion ($4.4 billion at the average exchange rate of the National Bank), the turnover with the CIS member states—R9.6 trillion [words indistinct] ($3 billion), which made up 68.8 percent of the aggregate volume. The excess of the Belarusian enterprises' debts to the enterprises in the Commonwealth totalled R2.9 trillion.

As for public income, during the period under review, they totalled R9.314 billion [words indistinct] is 22.5 percent less, compared to the same period of the previous year. At the beginning [words indistinct] 101,500 unemployed people were registered in the country, which made up 2 percent of the working population.

Belarus KGB Notes Polish Recruitment Attempts

AU0301091795 Kiev MOLOD UKRAYINY in Ukrainian 30 Dec 94 p 1

[Unattributed report published under the rubric "Fact"]

[FBIS Translated Text] The press service of the Belarusian KGB has reported that is has more than 20 statements by citizens notifying about attempts on the part of Polish special services to recruit them for collaboration.

Moldova

Lucinschi Notes 'Positive, Efficient' 1994

AU3112145394 Chisinau INFOTAG in English 1925 GMT 29 Dec 94

[FBIS Transcribed Text] Chisinau, INFOTAG, 29/12/1994—The chairman of the Moldovan Parliament, Petru Lucinschi, believes that in the year 1994 the legislature coped with tasks set before it. He said in his interview with Radio Moldova International that after the parliamentary elections of February 1994 the legislature had come to have a qualified majority able to work efficiently. "At large, the Parliament has justified hopes

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placed on it. We adopted a new constitution, and a series of other important laws. More than once we had to solve emergency problems related to, e.g., natural calamities. But the most essential thing is that we have determined our strategic line, and a regular work has been launched to create a sound legislative basis for building a democratic, law-governed state", Lucinschi said. In his opinion, it is a very positive factor that the legislative, executive and presidential powers are working hard, efficiently, and without opposing to each other. Lucinschi thinks it necessary in 1995 to speed up shaping a legislative basis for economic reforms. And the implementation of adopted laws is still 'a weak point', he said. If this problem is solved during 1995, that will raise the parliament's productivity substantially, he believes. The chairman spoke for paying more attention to preliminary preparations at drafting laws, before they are submitted for consideration of parliament. In his opinion, the deputies should spend 70 percent their time in committees and working commissions, and only 30 percent work time should be devoted to passing the laws at parliamentary sessions.

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Kazakhstan

Nazarbayev Says CIS Nations Will Push for Integration

LD3012160594 Moscow INTERFAX in English 1415 GMT 30 Dec 94

[FBIS Transcribed Text] Almaty, December 30 (INTERFAX)—Kazakhstan's President Nursultan Nazarbayev is convinced that "the nations of all CIS states will push politicians for integration."

He has told an Interfax interviewer that "despite a wide range of opinions among politicians today, the integration process has been going very actively in 1994."

"Our idea of a Eurasian union, Nazarbayev stressed, has pushed all politicians and presidents to adopt fair decisions on setting up the CIS Interstate Economic Committee, on working out a custom and payment union, and on more vigorous activity by the CIS Interparliamentary Assembly." "There has become more agreement between states," he remarked.

On Kazakh-Russian relations, Nazarbayev stressed that "strategically Kazakhstan cannot do without Russia, just as Russia cannot do without Kazakhstan." In his opinion, it is necessary to sign documents on citizenship as soon as possible "to create a precedent in CIS" thereby.

In the meantime, Nazarbayev is firmly convinced that dual citizenship cannot resolve all problems and will be a destabilizing factor since approximately 30 percent of the people in Kazakhstan will become "aliens, who have received passports of another state."

The president believes that Kazakhstan should keep pace with Russia in carrying out economic reforms.

By his data, the average pay in his republic has risen over the last four months from $60 dollars to $81 a month (in Russia it comprises over $100).

Nazarbayev voiced hope that Kazakhstan will manage to catch up with Russia in living standards in 1995. "We are advancing toward stabilizing the economy and improving the social position of the people," he stressed.

Nazarbayev Addresses Kazakh Military Collegium

MM3012155194 Moscow KRASNAYA ZVEZDA in Russian 30 Dec 94 p 3

[Report by Anatoliy Ladin: "'Economy Determines Framework of the Possible"]

[FBIS Translated Text] Alma-Ata [Almaty] Kazakhstan President Nursultan Nazarbayev as supreme commander in chief of the armed forces addressed a session of the military collegium which summed up the results of 1994 and defined the troops' tasks for the new training year.

Representatives of the press were not admitted to the military collegium session hall when Army General Sagadat Nurmagambetov, Kazakhstan defense minister, delivered the report there. And only a few paragraphs of the president's speech to the military leadership were heard by invited journalists. That makes it clear that the military collegium was discussing complex issues and the speeches from its rostrum were far from smooth. I heard from the participants in the session themselves that the army command was not original in its wishes voiced to the president: Give us the funds for all our basic needs. But today the situation in the republic's economy is such that even the army is not receiving the funds earmarked on time and in the volume cited in the budget.

Yet the president was, as before, concerned with questions of the further consolidation of the Armed Forces' combat readiness, believing that right now there is a threat of Kazakhstan being drawn into a military conflict voluntarily or involuntarily if such a conflict occurs in the states bordering on it. He stressed once again the importance for the republic of the collective security treaty signed in Tashkent 25 May 1992.

Nursultan Nazarbayev believes that the CIS states must implement mutual support in their period of transition. In his opinion they almost all have this concept. And he further noted that today Russia to a substantial extent inherits the Soviet Union's key place in the global military-political equilibrium formula on which the situation in the world as a whole and in individual regions depends. The Kazakhstan president also stressed that Russia alone without support from the CIS states will be unable fully to ensure military-strategic equilibrium. And so the coordination of efforts in the military-political sphere is vitally important not only for the states which support Russia but also for Russia itself, which, relying on them, will be able to ensure more substantial influence on the entire course of preserving the military stability achieved with such difficulty in the world.

Nazarbayev's New Year Address

LD0101150595 Almaty Kazakhstan Television in Russian 1745 GMT 31 Dec 94

[New Year address to the nation by President Nursultan Nazarbayev—live or recorded]

[FBIS Translated Text] Dear compatriots! The third year of independence for our young state, the Republic of Kazakhstan, is almost over. When we ask ourselves how 1994 remains in people's memories, we must be frank and admit that it was a year of difficulties. First of all, we had a hard winter. We survived that winter.

People voiced all sorts of views and apprehensions that we would not harvest the grain, and that we would experience near-famine and cold. I said then and I will again say that nothing of the kind will happen. Our people are working and toiling. Although we have had

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these difficulties, people always forget about the difficulties—that is in their nature—and remember the better times, the peaks of their own happiness and of their nation and state.

In 1994 Kazakhstan put forward a powerful integration initiative for integration: the Eurasian Union. It has played an immense role and has pushed all the politicians closer toward integration and rapprochement. After all, one cannot achieve great success in isolation. We could have united, like the European states, in a unified economic area in order to improve the economy, help people find work and earn their living.

I am continuing this work. It has already borne fruit. An Interstate Economic Committee has been formed in the CIS. A payments union and customs union are now being prepared for signing, the CIS Interparliamentary Assembly of the CIS states is strengthening. Many other proposals are in the pipeline. At the next meeting of heads of states we want to propose a pact on peace and accord on the territories of all the states.

This was a year of strengthening independence for Kazakhstan, when Kazakhstan received a historic guarantee from Russia, the United States, and Britain that they would guarantee Kazakhstan's territorial integrity and the permanence of its borders, and that they would not put economic pressure on our young state.

We fixed the border with the People's Republic of China.

These two facts are historic ones that will not fade from our people's memory.

The year 1994 was one in which our interethnic accord and national stability were tested. Here and there were people on the territory of Kazakhstan who wanted to disrupt our accord, our interethnic friendship, and our political stability. Thank God we preserved this tranquillity. That is the main achievement, about which I never tire of speaking.

Whatever those who wish us ill and who do not want life to improve in Kazakhstan might say, it has to be said that this was the year we first operated on the basis of our young national currency, the tenge. All sorts of prophesies were made about our national currency. But, since the second half of the year, our tenge has been stable against the dollar. It remained unshaken even when the ruble crashed in Moscow, as you will remember.

This is very good; and on the basis of this inflation is falling, in other words, the rate at which prices rise is falling. Inflation has fallen from 46 percent in June to 9.5 percent in December. This is the main task that the government has been assigned. Wages grew at a rate of 26 percent, whereas the growth of prices was 6-8 percent lower than that. This is the first time that this has happened. Over the last four months industry as a whole in Kazakhstan has grown at 0.5 to 1 percent, and at two to 2.5 percent in December. It difficult to say and affirm that this is now a trend and that we are now going up uphill, but when things are difficult even small successes naturally gratify us.

The year 1994 was the year when our new, professional, democratically elected parliament began working and developing. It was the year when the old government resigned and a new one came in. I consider that this government is a government of professionals. They are working very actively to pursue their own programs, and we must support this government and give it time to implement the program that it has planned and made known to us.

Speaking about 1995 I would like to say—or wish; I very much want this—that this year should be a one in which interethnic accord in our common home is maintained; that our home, our Republic of Kazakhstan should never see the adversities and bloodshed, accompanied by refugees who have lost their homes, as is happening in the former Soviet Union, in other CIS states; and that we should maintain political stability.

I appeal to the whole nation of Kazakhstan: One can believe anything, one can believe there will be difficulties, and one can believe that anything may happen; but one cannot ever trust a person man who says: Follow me—I will resolve all issues, and life will improve immediately. That is a lie. We need calm work today, rather than revolutionary rallies, we need work calmly. We have all realized that the West will not present us with anything on a plate, and that our rich underground resources cannot be put to work overnight. But we are continuing along this road unwaveringly. At the same time, we want to draw closer to all our neighbors, we want integration, and we want tranquillity around and within our state. That is our main policy.

I want the whole nation to understand that only through hard work, only through individual work and purpose can one improve one's life. We are creating all the necessary conditions for this.

On the eve of a New Year everyone gathers with their family to see in the year. This is always bound up with new expectations, new hopes. I want the best of desires and dreams to come true for every family and person. Let 1995 be a year of improvements in life, and a year of tranquillity for every one of us. The year 1995 is the year in which the 150th anniversary of the great Abay [Kazakh poet] will be celebrated; 1995 is the year of the 50th anniversary of the great victory in the sanguinary Great Patriotic War. It is our duty to take care of all the war veterans, the invalids, the people who worked to the behind front line, and show our respect for those who stood and bled to defend our freedom and life today. I hope that this will be the mark of 1995 as a year.

[Nazarbayev reverts to Kazakh] Dear compatriots! The New Year is a happy holiday, a long-awaited holiday for all people and each person. However difficult it might be, we are all sitting down at the table with our families

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and friends, and that is why I think we will overcome all of these difficulties. Let us raise our glasses to happiness, friendship, and prosperity for our people, a great and hard-working people. We may be sure that only through the labor of every individual can we build our own happiness and prosperity. The state, our Supreme Council, and the government are, through legislation, creating all the conditions to enable everyone to achieve happiness through his own labor. If we live in one friendly family, if we respect and appreciate each other, if we love each other, and if we are tolerant of each other's opinions, the Almighty will repay us with kindness and happiness.

Happy New Year, dear friends! I wish you happiness! I wish you all the best, and happiness to all our nation!

Kyrgyzstan

Radiation Monitoring Equipment Installed on PRC Border

LD0101113295 Moscow ITAR-TASS World Service in Russian 0410 GMT 1 Jan 95

[By ITAR-TASS correspondent Boris Manayav]

[FBIS Summary] Bishkek, 1 Jan—A radiometric monitoring equipment developed by the Kyrgyz Gera scientific-production association and capable of registering even the slightest deviation of the radiation background from the norm has been installed at the Torugart checkpoint on the Kyrgyz-Chinese border. Specialists claim this will help to create a barrier in the way of traces from nuclear tests at Lop-Nur in China "spreading." In future such equipment will be installed at Manas airport and a second Kyrgyz-Chinese border checkpoint at Sary-Tash.

Canadian Involvement in Kyrgyz Gold Sector Reported

MM0201162795 Moscow KOMSOMOLSKAYA PRAVDA in Russian 29 Dec 94 p 5

[Unattributed report under "INFORM" rubric: "Who Has Struck Kirghiz [Kyrgyz] Gold? The Canadians, of Course"]

[FBIS Translated Text] Canadian specialists have started working the "Dzheruy" gold ore deposit in northern Kirghizia [Kyrgyzstan]. The government press center informed an ITAR-TASS correspondent that a contract on the joint working of this gold-bearing area has been signed by the "Kyrgyzaltyn" state concern and the Canadian firm Morrison Knudsen.

Preliminarily the Canadian specialists redrafted the feasibility study several times in order to take full account of the Kyrgyz side's numerous comments. In the experts' opinion the most appropriate option for the operation—an underground mine—has now been chosen. It will provide the potential to extract around 200 tonnes of gold.

Local Chechens, Ingush Ready To Side With Groznyy

MK3112090494 Moscow SEGODNYA in Russian 31 Dec 94 p 2

[Report by Beket Aubakirov under the "Echo" rubric: "Chechens From Kazakhstan Are Going To Protect Ancestral Graves"]

[FBIS Translated Text] Meetings of representatives of the local Chechen and Ingush communities were held in Alma-Ata [Almaty], Kokchetav, Akmola, and in other cities of the republic to protest against military operations in the Northern Caucasus and to demand that the current problems be resolved peacefully. Numerous letters and appeals to the top leadership of the Russian Federation were adopted demanding efforts for a cease-fire.

Some of the Chechens who live in Kazakhstan intend to take up arms to intervene in the armed actions on Groznyy's side. There are facts confirming that those are not just words. For example, a group of thirty Chechens left Aktyubinsk for Groznyy in their cars in the first days of combat operations. They were intercepted in the area of Astrakhan and taken back. This group, however, repeated their attempt to make their way into the conflict area.

Akayev Criticizes Law Enforcement Bodies

LD3012180894 Bishkek Kyrgyz Radio First Program Network in Russian 0600 GMT 30 Dec 94

[FBIS Translated Text] Meetings of the government's presidium and the government itself have been held, with a 20-minute interval between them. The meetings continued the discussion of the issues submitted to the presidium's session on 27 December. One of the most acute and serious issues was the way in which President Akayev's edict on urgent measures to consolidate law and order and to intensify the fight against law violations and the corresponding government resolution are being implemented in the city of Bishkek and in the Chuy region.

Ibraimov and Kulov, the heads of administration in Bishkek and the Chuy region, and Kultuyev and Turmanbekov, the heads of the interior departments in these territories, delivered reports.

As we know, a few days ago there was an extended meeting of the Interior Ministry board attended by President Akayev. At that meeting the head of state offered extremely harsh criticism of the work done by the law enforcement office. The criticism of the internal affairs organizations was continued at the government plenum.

The crime situation is particularly depressing in the capital of the republic. There has been a sharp rise in street crime and racketeering. Urban markets have turned into breeding grounds for crime and hooliganism,

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and have been divided up into zones of influence by mafia groups. Despite some measures that are being taken—the creation of new police units, increasing the number of units on street patrols, and three-shift work regimes for the police—the situation is not improving in the main.

The meeting discussed the shortcomings in the law; the outdated management system used in the law enforcement organizations; the inadequate coordination of efforts of local organizations, state and public organizations, the police, and the local population; and the insufficient use made of the progressive working practices of foreign law enforcement forces.

The work done by the internal affairs department of Bishkek city to impose order and fight crime was deemed unsatisfactory, and that of the Chuy region internal affairs department was deemed inadequate. The heads of the local administrations and internal affairs departments were instructed to take all necessary measures to improve the situation in the shortest possible time.

It was decided to return to the issue of maintaining law and order in January of the coming year.

Akayev Issues Decree on Tax Policy

LD0201151295 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1200 GMT 2 Jan 95

[Decree by President Askar Akayev, issued in Bishkek on 30 December 1994, read by announcer]

[FBIS Translated Text] In order to increase tax returns into the budget, I decree:

1. The Kyrgyz Government's proposal will be accepted, and the rate of tax levied on the profits of collective and state farms is set at 25 percent from 1 January 1995.

All entities, both legal and natural, involved in economic activity, and legal and natural persons are subject to excise tax.

2. The effect of Article 23 of the Law of the Kyrgyz Republic on taxes on enterprises, associations, and organizations will be halted.

3. The Kyrgyz Government will submit a proposal to the Kyrgyz Supreme Council by 1 February 1995 on making amendments and additions to the legislative acts of the Kyrgyz Republic.

It will bring its own decisions into line with this decree.

[signed] President Askar Akayev of the Kyrgyz Republic.

[dated] Government House, Bishkek, 30 December 1994

Nazarbayev New Year's Greetings

LD3112112094 Almaty Kazakh Radio Network in Kazakh 0700 GMT 31 Dec 94

[FBIS Translated Text] The republican mass media published President Nursultan Nazarbayev's New Year address to the people of Kazakhstan. It says:

As president of sovereign Kazakhstan and as a citizen I hope everyone will tolerate the beliefs, actions, and opinions of others. Tolerance of others' views is the sign of wisdom and an essential condition for civilized society. If you respect the views of other people they will respect and understand yours.

The great Kazakh poet Abay, whose 150th anniversary is being celebrated throughout the world, taught us this. My deepest wish is that stability, peace, unity, and solidarity are maintained. Only by doing this we will manage to lift the country out of crisis and find the best way to a normal life. From the bottom of my heart I wish you a successful, happy, and prosperous New Year.

Communist Leader Outlines Policy Views

LD2912135294 Bishkek DASMIYA TRK in Russian 21 Dec 94 p 2

[FBIS Translated Text] The Party of Communists of Kyrgyzstan currently represents the official opposition to the ruling powers. Its ultraradical views are also widely supported among the masses. Even the president of Kyrgyzstan views it as an organized political force. In a recent interview, Askar Akayev described the other nine parties as "political clubs". Today there about 17,000 communists.

In the course of an interview with the party's leader, Sheraly Sydykov, it became clear that the communists nevertheless value progress such as democratic values.

[DASMIYA TRK] Your program provides for basic democratic transformations in society. Why do you call yourselves communists?

[Sydykov] Our creative basis consists of the ideas of Marxism, which we regard as universal. As a science, dialectical materialism primarily studies the historical requirements of social development. At numerous meetings with the electorate we arrived at the conclusion that it is necessary to liberalize two areas: the nature of ownership and the status of religion.

It would show ignorance to deny that even Lenin introduced a New Economic Policy. Our party, too, preaches a multilayered economy. Why do all the kolkhozes and sovkhozes have to be destroyed? In Israel, for example, collective rural organizations fit very well into the national economy. And we, too, could have left profitable farms intact and introduced private ownership in parallel. As a result, there is mass unemployment in the villages today.

The Party of Communists is in favor of the state sector in both agriculture and industry. When everything was overthrown by dark forces, did not the October Revolution teach many lessons? Today we are ruining national property which was accumulated through hard work over 70 years.

The current taxation policy is hindering the development of production. As we know, Uzbek President Islam

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Karimov has exempted foreigners specializing in production from taxes for two years. This is, after all, a unique opportunity to nurture the national working class and specialists in the spirit of a new kind of thinking.

During the Soviet period I held the post of mayor of Mayli Say. One significant point was that the child mortality rate in my territory was equal to that of the Baltic republics: 12-13 per 1,000 children aged under 12 months.

Having taken up an opposition stance today, we are against current social policy. The Party of Communists of Kyrgyzstan is a democratic party of socialist orientation. We act according to the principles of social justice.

[DASMIYA TRK] Let us say you came to power. Would the state be governed according to the principles of centralism or of the division of power?

[Sydykov] Our aim at this historical stage is to build a democratic, law-based state. Not artificial but real power for the workers, and the development of this power through political freedom of speech, conviction, criticism, expression of will through elections, and religion. In the future, we will take the ideals of communism as our guideline.

[DASMIYA TRK] When the workers came to power in 1917, they did not leave any space for the intelligentsia.

[Sydykov] Do you know why we do not change our name? Because we are striving for lofty communist ideals: the development of a harmonious, centralized society.

[DASMIYA TRK] OK, let's talk about current events. Today, many people consider that you have formed a bloc with the Erkin Kyrgyzstan party for one reason, hunger for power.

[Sydykov] During the parliamentary crisis we had one common task: to defend the constitution. Our regulations envisage contacts with other parties to develop common stands in critical situations.

[DASMIYA TRK] During the referendum, the international observers commented on the low level of activity by the political parties.

[Sydykov] That is the official version. We attempted to take part, but we simply were not allowed to get to the polling stations—and by the security forces, too. We were not given enough time to complete the documentation for candidates for the local authorities. As for the international observers, they were under the state's control. As we understand it, they should be completely independent. How many constituencies were they taken to, and which ones? How long did they spend there? And in any case, all the vote-rigging was done after 1800. Most of the population simply did not take part in the referendum. The event was a purely formal affair.

[DASMIYA TRK] You headed the commission investigating abuses and corruption among Supreme Council deputies. With how many votes was this explosively dangerous commission set up? After all, it was essentially because of this commission that the Supreme Council's final session was broken off.

[Sydykov] Some deputies did not take the establishment of the commission seriously at the time. But the disruption of the final session was a gambit to hold a referendum on the bicameral parliament.

[DASMIYA TRK] The president enjoys great authority in the world. His intelligence, mind, education, and remarkable human qualities are dear to the entire Kyrgyz nation.

[Sydykov] I agree, and I have great respect for him. At the same time, his personnel policy leaves a lot to be desired. In four years of rule he has replaced his immediate circle four times. Such somersaults do not bode well.

Our president's unreserved fulfillment of the International Monetary Fund's economic programs is not without risk. These programs have been planned without taking local features into account.

There may be problems with private ownership, for example. Only five percent of Kyrgyzstan's tiny territory is arable land, and the irrigated area is still smaller. All wars in the history of mankind have been waged because of land. It is national property and it belongs to our children. In many countries this problem has been solved and the land is owned by the state. The mistakes made in solving the land problem may prove to be a national tragedy in future.

[DASMIYA TRK] In your speeches you often refer to Uzbek President Islam Karimov's experience. Is his authoritarian system closer to what communists want?

[Sydykov] I talk about his constructive measures to bring recovery to a post-Soviet economy, which means national prosperity. Authoritarianism is unacceptable for Kyrgyzstan for many reasons. We will not survive without international assistance. We estimate that in the last four years the republic has received about $500 or 600 million. But let us ask what has been done with these funds? Where are the results? It is necessary to turn the foreign presence in the economy, on mutually beneficial terms, into a priority.

As for democracy, it must serve not as an end in itself, but as a means of achieving tasks.

[DASMIYA TRK] How dear is public tranquillity and stability to you?

[Sydykov] If you mean the stability of the grave, it is of no value to us. But nor will we countenance any extremism. We will come to power by constitutional means, through elections.

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Tajikistan

Afghan Radio Says Russian Planes Kill 10

LD0101181495 Kabul Radio Afghanistan Network in Pashto 1530 GMT 1 Jan 95

[FBIS Translated Text] Russian and CIS warplanes recently heavily bombarded Baharak district in Badakhshan province. Quoting security sources of Badakhshan province, the Bakhtar Information Agency says Russian and CIS warplanes in separate raids, two days ago, savagely bombarded the center of Baharak district in Badakhshan province and the village of (Robadeh) in the district. As a result of those ruthless raids ten civilians were martyred in Robadeh, and 15 people were injured in this village and in the district center of Baharak. As many as 24 shops and five dwellings were destroyed in the district center and eight dwellings were destroyed in Robadeh village as a result of the Russian (?troops') raids. The CIS airplanes' raids generally took place at night time.

Russian Border Guards Killed by Afghanistan Fire

LD0201194395 Moscow ITAR-TASS World Service in Russian 1855 GMT 2 Jan 95

[FBIS Translated Text] Moscow, 2 Jan (ITAR-TASS)—Four servicemen were killed and several others wounded this afternoon during a daring and unprovoked attack from Afghan territory on Russian servicemen guarding the state frontier in Afghanistan. During the attack an infantry combat vehicle was knocked out too, says the statement of the Russian Federation Federal Border Service's news agency. The attackers were eliminated in the return fire.

Yesterday the border guards heard that combatants had taken hostage local inhabutants of Darvatskiy Rayon, in Gorno-Badakhshan Autonomous Oblast. A scout patrol group was sent out to investigate what had happened and to free the hostages, and they were shot at by bandits from the adjacent territory.

In the opinion of the competent bodies of Tajikistan and the Russian border guards command, this provocative sortie was undertaken for the purpose of thwarting the emerging positive dialogue toward a peaceful settlement of the Tajik problem.

The leadership of Tajikistan, in concert with the Russian Border Guards Command, is taking measures to ensure stability on the state frontier. This morning, representatives of the republic's leadership, the Russian Border Guards Command, and also a senior group of UN observers monitoring the cease-fire, are flying out for a careful investigation, and are accompanied by journalists.

Opposition Cease-Fire Violations Condemned

LD0301105595 Moscow ITAR-TASS World Service in Russian 0940 GMT 3 Jan 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Text] Dushanbe, 3 Jan—The events on the Tajik-Afghan border are giving rise to serious concern and alarm in connection with the continuing attempts by opposition fighters to violate the border and also the unremitting fire upon Russian border troops, which has lead to personnel losses, a statement by the Ministry of Foreign Affairs of the republic circulated for the press says today. The statement was provoked by an incident on a sector of the 6th frontier post of the Kalay-Khumbskiy [Gorno-Badakhshan autonomous region] border detachment where six Russian border guards died on Monday as a result of being fired upon from the territory of Afghanistan.

The republic's Ministry of Foreign Affairs, the document stresses, has reliable information that mercenaries who have undergone special terrorist training and who were paid by a third country were involved in this act. The aim of such provocation is obvious: To undermine the process of a peaceful settlement of the inter-Tajik conflict and to involve the republic in a new bloody drama, the statement stresses.

The Ministry of Foreign Affairs of Tajikistan also stated that the actions of Russian border guards were related only to fulfilling their task of guarding the Tajik-Afghan border and did not contradict the inter-Tajik agreement on a temporary cease-fire. In this way the Ministry of Foreign Affairs refuted the accusation by separate leaders of the irreconcilable Tajik opposition that Russian border guards allegedly carry out warning strikes, including on Afghan border districts, and also arrest armed supporters of the opposition, in this way exceeding the status of Russian Federation border troops in Tajikistan.

The Ministry of Foreign Affairs pointed out that the Russian Federation border troops carried out their functions in guarding the border in accordance with the principle of neutrality; They use arms and military hardware only in response to the use of arms by border violators.

The statement by the republic's foreign policy department draws the attention of the Afghan leadership to the fact that armed subunits of the Islamic opposition are continuing to be found in a number of this republic's border provinces and provocations are being carried out from the very territory of Afghanistan. The statement also notes that the Government of Tajikistan reserves the right to stop decisively such acts of aggression and to maintain the established border regime.

Six Russian Soldiers Poisoned by Locally Produced Champagne

LD0201155995 Moscow INTERFAX in English 1408 GMT 2 Jan 95

[FBIS Transcribed Text] Dushanbe, Jan 2 (Interfax)—Six Russian servicemen and the wife of a staffer of the Russian embassy in Dushanbe died of using locally

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distilled poisoned champagne during the night January 1, an informed source in Dushanbe told Interfax. Another 13 people were hospitalized.

The local law-enforcement bodies are investigating the case. Tests of the remaining champagne revealed the presence of cyanide. The source said that the champagne had been bought on New Year's eve from private vendors near the base of Russia's 201st motorized infantry division and the headquarters of the Russian border troops in Tajikistan. The investigators are working on several versions, including a subversive act.

There are victims among civilians, too. Nine were hospitalized with a serious food poisoning diagnosis. Three of them have died.

Two vendors have been detained and the channels from which the champagne arrived are being traced down. An inspection of the Shakhrinaus distillery, Tajikistan's only distillery manufacturing champaign, did not reveal any violations in the production methods. Obviously, the poisoned champagne was brought in from outside Tajikistan.

The Tajik Security Ministry told Interfax that it would urge the population through TV on Monday not to buy alcoholic drinks from private vendors, and not to use them if doubts arise about their quality.

Rakhmanov's New Year Greetings

LD3112142794 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 31 Dec 94

[New Year greetings from President Emomali Rakhmanov—read by announcer]

[FBIS Translated Text] Dear compatriots! We are seeing in the New Year of 1995 with great wishes, with a belief in a radiant future for the republic, and with hopes for the consolidation of national unity and peace in Tajikistan.

Despite the great economic difficulties, the outgoing year was one which saw tranquillity, the guaranteeing of Tajikistan's security and integrity, the restoration of legality, and the start of political reform and serious constructive transformations. For the first time in their history, the Tajik people adopted a constitution, the basic law, and elected their president democratically in a free and nationwide ballot.

I well realize the responsibility I bear for this high post, and as I said at the Supreme Council session, I will employ all my strength, abilities, and powers for the good of my native Tajikistan and for its progress.

Now that the Constitution has been adopted and the president elected, a new stage has started in the republic, the essence of which is to guarantee a peaceful and calm life for the peoples of Tajikistan. That is why the first decrees issued by the president concerned issues of improving the living conditions of the people, and above all participants in the Great Patriotic War [World War II], the disarmament campaign, and the establishment of executive power from local up to the supreme bodies of power. It is gratifying that the people have fully supported these decrees and that they are being put into practice.

The state and government leadership is now undertaking a number of measures designed to bring the economic situation in the republic back to normalcy and to improve the population's provision with foodstuffs, above all flour and bread. I am sure that these measures will be made a reality, with the help of the whole people.

Another issue which concerns all of us is providing money for the republic's population. As you know, we would like to have a unified monetary system with Russia and other neighboring states. But the current situation in Tajikistan and Russia requires that a national ruble be put into circulation. However, this does not at all that mean that we do not want close economic ties with fraternal states. For its part, the Tajik Government has taken and will continue to take every measure to unify the monetary systems of the Republic of Tajikistan and the Russian Federation. The introduction of a national currency for the Republic of Tajikistan for a transitional period was agreed with the Russian Government and is in line with our agreements with the Russian Federation on unifying the monetary systems of the two countries, as well as with proposals made by international financial and credit organizations.

I will state again with a full sense of responsibility that the introduction of a national currency in the current difficult and very responsible period in Tajikistan's development is designed to produce prosperity for the republic's population, and I promise to take every measure to protect the population.

In 1995 the state and government leadership intends to accelerate the progress of economic reform and positive transformations in all domains of life; in doing this it will base its actions on the Constitution. We will take every measure needed to ensure tranquillity for the people, to protect civil rights, to confiscate weapons, and ensure that the domestic market is full of essential goods.

The competent organizations must continue stepping up their war on criminals, bribe-takers, and mafia groups.

Everything is being done to allow compatriots of ours who are currently in other CIS countries to return to their homeland and take an active part in the elections to the Supreme Assembly and local assemblies of people's representatives. To this end we will continue talks with representatives of opposition groups.

Dear compatriots! We attach great hopes on the new year. Everyone knows that all our achievements and successes and the authority and prosperity of our country are a result of the friendship and brotherhood existing between all the peoples and ethnic groups in the republic.

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Throughout the toughest times which this country has lived through, there were Russians, Uzbeks, Kyrgyzes, Turkmens, and representatives of other nations and ethnic groups standing together with their Tajik brothers and sisters, struggling together to create a peaceful life and restore the economy and morality in Tajikistan. The Tajik people's friendship and brotherhood with the other fraternal peoples represent a strong foundation of our sovereign state.

The fact that Tajikistan, alongside other prestigious world countries, is a member of the United Nations, and that it presents itself to the peoples of the world from the lofty UN podium, is an object of pride for each citizen in the republic. On the eve of the New Year, we express our deep gratitude to the United Nations, to the people and heads of state of the CIS members, as well as to other countries for their support and selfless assistance.

A number of historic events will happen in our country in the new year. Among them I would like to pick out the elections to the Supreme Assembly [scheduled for 26 February], because the majority of the important problems in out state's life will depend directly on this important political event. You will be aware that the Constitution will set very responsible tasks for the members of the Supreme Assembly, the future parliament. It will be their duty to draft and pass such laws as will open the way to further development of society. It is therefore very important that the people elected to the Supreme Assembly have a knowledge and broad grasp of legislation, that they understand the political processes in the world, that they carry authority among the peoples of the republic, and that they have good intentions and clear consciences.

In addition, the 50th anniversaries of the United Nations and of the great victory over fascism will be ceremonially marked in the new year. Sons of our country were among those who participated in the struggle against fascism. One can express the hope that these important, historic anniversaries will become true celebrations of friendship and brotherhood.

This year our sovereign Tajikistan faces a new stage in the development of socioeconomic life. Irreproachable work and firm observance of labor and state discipline at all levels will be the main resources by which this great objective will be achieved.

Today I make the following request to the respected elders [aksakals], war and labor veterans, loving mothers, and upstanding young people in the republic: Let us unite in the new year to bring the republic out of its grave socioeconomic crisis. Let the new year be a year of work and creation, a year of discipline and order, a year of peace and unity for the republic.

I hope that the new year, 1995, will be a year of good relations and peaceful life for each inhabitant of the republic.

I wish you good health, happiness and success. Happy New Year, dear compatriots!

Uzbekistan

President Karimov's New Year Message To Nation

LD0101105395 Tashkent Uzbekistan Television in Uzbek 1845 GMT 31 Dec 94

[New Year message to the nation by President Islam Karimov—announcer-read]

[FBIS Translated Text] Esteemed compatriots! Respected fathers and mothers! Dear brothers and sisters! I congratulate each and every one of you on the New Year, 1995, and I wish you a long and rich life, good health, and peace and abundance in your home and family.

Our sacred and greatest wealth—peace and accord—predominated in our homeland in 1994. Our people worked without threat or concern. Because of this peaceful, friendly and constructive situation in our homeland, a great deal of positive work was carried out to strengthen the independence of our state, to increase its political, economic, moral, and cultural strength and to raise its international authority.

At the same time, the outgoing year has been quite a difficult one for our people. This we should openly admit. There were many obstacles and shortcomings. Our Uzbekistan underwent great trials as it steadfastly progressed along the road of independence.

I believe that our work to build the foundations for our future and the difficulties that we have suffered on the road to reform over the recent period will not prove to have been to no avail. Soon it will begin to bear fruit, in the shape of rising living standards for our people and in social security for them.

Dear compatriots! It would be superfluous to describe the character of our people. The three years that have passed under the difficult conditions of independence have proven once more how hard- working, stoic, and persistent they are. That is why we have suffered from economic crisis less than other new states that appeared in place of the former Soviet Union.

I do not think it would be out of place here to say again that we should appreciate and uphold peace and stability in our country, because we can see what results have been produced by unrest and instability in many parts of the world, including our neighbors.

Respected friends! Three years of life along the road of independence have told us what sacred land we live in, and what heritage and values have been left to us by our great ancestors; they have taught us to be faithful to the faith and spirit of our ancestors who lie in this beloved soil, to work selflessly and be the real masters of our own

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destiny for the future of our homeland and for the well-being of our children, and to live life full of concern for our people and motherland. If we manage to secure safe progress along today's road of independence and reform; if we work with love, accord, and cooperation I am sure that we will arrive at radiant and prosperous days all the sooner, Inshallah [God willing].

My dear compatriots! Let the approaching 1995 be a year of success for our people and homeland! Once more I heartily congratulate everyone on the New Year! I wish everyone peace, health in your work for the progress of the homeland! Let happiness and fortune always be with you! Let the Creator be our support in implementing all our hopes and desires!

President of the Republic of Uzbekistan, Islam Karimov.

Food Rationing System Annulled

LD0101171095 Moscow INTERFAX in English 1628 GMT 1 Jan 95

[FBIS Transcribed Text] Tashkent, Jan 1 (INTERFAX)—The food rationing system, introduced four years ago, has been annulled in Uzbekistan. Flour, sugar, butter and other food stuffs, previously sold at fixed prices in strictly limited amounts exclusively for the citizens of Uzbekistan, are freely sold to any buyer.

Our correspondent reports that the rationing system was annulled in accordance with the president-announced program for the gradual transition to market relations which provides for a liberalization of retail prices.

Meanwhile, the population's attitudes to the innovation vary as people have lost the guaranteed minimum of food stuffs. Pensioners, large families, students, disabled people and other low-income groups are particularly concerned about their future.

According to competent sources in the Uzbek Ministry for Public Health, the cost of the minimal food basket recommended by the World Health Organization exceeds 900 sums a month (128,000 Russian rubles), which is nine times greater than the minimal and 2.5 greater than the average wage in the republic.

Extortion Slowing Down Karimov's Reforms

LD3012175394 Moscow INTERFAX in English 1525 GMT 30 Dec 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Prosecutor-General Buritosh Mustafayev believes that red-tape and extortion by officials have become a serious brake on President Islam Karimov's reforms.

Mustafayev was speaking at a coordinating conference of representatives from prosecutor's offices, the Supreme Court, Justice Ministry and Interior Ministry in Tashkent. The conference discussed a package of measures how to furnish legal support for the development of a mixed economy, including private enterprise.

Speakers at the conference pointed to a well-oiled machinery of racketeering, in which members of law enforcement agencies were involved. Extortion is quite common in case of registering small enterprises. Opening a small business requires authorization from several bodies of authority, which in some cases may take months.

The prosecutor's office has extensive evidence to the effect that the emerging new class of businessmen has to give bribes for opening settlement accounts in banks, for credits, for rubber stamps, and for the authorization of payment documents. Those who refuse to pay have to be prepared for continued inquiries, checks and nagging.

Speakers at the conference said that the system of extortions was a serious brake on private enterprise and that law-enforcement agencies must fulfil presidential instructions as soon as possible and call to account bribe-takers and those use their position to interfere with business activity. IF note: According to unofficial sources small businesses in Uzbekistan have to spend more than half of their incomes on bribes to officials, who are estimated to have misappropriated in that way 55 million sums ($2.2 million) this year.

According to reliable sources the Supreme Court has sentenced former President Adviser Mavlian Umurzakov to six years in jail on charges of power abuse and cronyism in personnel policies.

Former presidential adviser Murzakov was the supervisor of the government's personnel policies.

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Armenia

President's New Year Message

NC0201163295 Yerevan Radio Yerevan International Service in Armenian 1952 GMT 31 Dec 94

[New Year's message by President Levon Ter-Petrosyan—live]

[FBIS Translated Text] Dear compatriots, first of all I want to note with boundless satisfaction the following noteworthy fact: This is the first New Year in the last five years that our people are welcoming in peace. It is calm on the borders, and Karabakh stands firm and vigilant. Could there be a more alluring and precious moment than this, when no soldier is being martyred and no mother is anguished over her son in the trenches? This was precisely last year's providential gift, in comparison to which everything else pales and becomes insignificant and secondary.

The peace was achieved at the cost of superhuman bravery and the sacred blood of the heroic sons of Karabakh Armenians during the most violent phase of the Karabakh war which occurred during the winter months of 1993 and 1994. The month of May brought with it tranquility and put the Karabakh problem on course to a political solution. Following the cease-fire signed in May, Karabakh emerged as one of the recognized parties to the conflict in all the negotiations, and thus it secured the opportunity to defend its rights on the diplomatic front as well. The process of the political resolution of the Karabakh conflict entered a new phase with the CSCE summit in Budapest. This prestigious pan-European organization for the first time made a political decision to station international peacekeeping forces in the conflict zone. Though at present the issues relating to that force's mandate, numerical strength, and composition have not yet been clarified due to technical reasons, the existence of such an important political decision inspires confidence that these things will be resolved in the near future so that the cease-fire achieved at enormous costs can eventually turn into a stable peace.

The cease-fire also had a salutary effect on the republic's social and economic situation. Compared to previous years, 1994 became the first non-traumatic year, whose attributes are: Economic growth, stabilization of the dram, reduction of the budget deficit, the curbing of (?inflation), the construction work carried out in the [earthquake] disaster zone, and so on.

The process of economic reforms—privatization, regulation of the tax system, and the improvement of the administrative mechanisms—was substantially accelerated. The trend towards economic stability, the existing cease-fire, and the successful progress of the reforms formed the basis for the elaboration of Armenia's comprehensive socioeconomic developments program for 1995 with the assistance of the international financial organizations. This program above all aims at establishing a macroeconomic balance.

If the program is followed successfully and the credits provided by the international community are used correctly, 1995 promises to be a pivotal year for the revival and further development of Armenia's economy. Though the main results of the program are expected in 1996, our people will start feeling the positive changes as early as next year, particularly as regards a real increase in their incomes and providing for the needs of the less privileged sections of the population.

Beyond the exclusively economic objectives, the program also envisages serious investments in the health, educational, cultural, and scientific sectors.

All this inspires hopes that 1995 will be a year when our people's cares are lightened and the tangible fruits of independent statehood are manifested.

I warmly wish you health, happiness, prosperity, and a happy new year.

Satisfied With Karabakh Cease-Fire

LD0101210795 Moscow ITAR-TASS in Russian 1956 GMT 1 Jan 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Transcribed Text] Yerevan January 1 TASS—Armenian President Levon Ter-Petrosyan expressed his satisfaction with the results of a seven-month ceasefire in the Nagorno-Karabakh conflict zone.

"After a ceasefire agreement was signed in May 1994, Karabakh has acted at all consequent talks as a recognized party in the conflict and got the opportunity to protect its rights at a diplomatic front", the Armenian president said in a televised address to the republic's citizens on the occasion of the new year.

The political settlement to the Karabakh conflict has entered a new stage at the Budapest summit of the Conference for Security and Cooperation in Europe (CSCE), Ter-Petrosyan said, stressing the importance of the CSCE decision to bring international peace-keepers to the region.

The ceasefire is positively influencing socio-economic situation in the republic, the Armenian president stated. The year 1994 has passed without disturbances and brought economic growth, stabilization of national currency, and lesser budget deficit and inflation.

Karabakh 'President' Issues New Year Message

NC0201183195 Yerevan Radio Yerevan International Service in Armenian 1615 GMT 2 Jan 95

[FBIS Translated Text] President of the Nagorno-Karabakh Republic [NKR] Robert Kocharyan has issued a new year message to the people of Karabakh. In it he said:

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Today we say farewell to 1994 and welcome 1995. In the old year our people wrote yet another glorious page in the annals of Karabakh's national liberation struggle. Our achievements at the fronts and in the political and economic spheres are conspicuous.

The failure of Azerbaijan's winter campaign proved once again that the will of a people set on a course of freedom and independence cannot not falter. Our heroic army honorably fulfilled, and will continue to fulfill, its sacred duty. Let us bow our heads in memory of those who sacrificed their lives for the homeland.

Our progress in the foreign policy field is indisputable. NKR's political weight has increased and it is regarded as a de facto subject of international law. We have favored, and continue to favor, a political solution to the Karabakh problem. The main condition for the peaceful resolution of the Karabakh-Azerbaijan conflict is the termination of the combat operations and the establishment of a stable peace in the region. Our political efforts will be directed at achieving this. Extensive and difficult work awaits us. The war, blockade, and the transition to a market economy have created an extreme situation, and the utmost mobilization of our forces and patience is needed to overcome it. We should not cease our vigilance. We are obliged to always be ready to bring to naught any infringement by the enemy. In the new year and in the coming years our young republic will face the issues of further strengthening the Defense Army, reforming the economy, consolidating legality, and solving other major problems.

We must construct a free NKR with our joint effort. Let 1995 be the year of the realization of our national aspirations and of new achievements. I wish peace and prosperity for each Karabakh family. I wish you health and success. New Year's and Christmas greetings.

Military Cooperation With Russia Satisfactory

LD3012155894 Moscow INTERFAX in English 1415 GMT 30 Dec 94

[FBIS Transcribed Text] Yerevan, Dec 30 (Interfax)—Armenian State Minister for Defense Vazgen Sarkisyan has expressed satisfaction over the republic's "closest" military cooperation with Russia.

He told a news conference in Yerevan on Friday [30 December] that created on the Armenian territory was an aid-defense base (jointly with Russia), which will be fully staffed in January-February. Russian Air-Force units are also deployed in Armenia, he said.

Besides, Russia, said the state minister, handed over to Armenia an air defense system of the Krug type.

Sarkisyan said that in 1995, in the vicinity of the Armenian town of Gyumri, there will be joint Armenian-Russian military exercises. He said that the exercises are possible only after a treaty on deployment in Armenia of Russian military bases is signed. The signing is delayed, he said, due to the internal political problems in Russia, which are associated with the developments in Chechnya.

Answering the question about the Chechen conflict, the minister said that it is "Russia's internal affair". He said though that "Russia's actions towards Chechnya are similar to the steps once taken by Azerbaijan towards Karabakh, as well as by Georgia towards Abkhazia."

Ambassador to Britain Comments on Improving Ties

NC0201210995 Yerevan Radio Yerevan International Service in Armenian 1615 GMT 2 Jan 95

[FBIS Translated Text] For almost three years Ambassador Armen Sargisyan has been the head of Armenia's embassy in Great Britain, and in his words, Great Britain's stance towards Armenia has changed over the last few years. What is the state of these relations now? British-Armenian relations have never been so good; these relations have become quite stable in the last three years, said Mr. Sargisyan. Now, it is easier for us to work qualitatively with the British Foreign Ministry, because there has been a growing awareness on their part of the importance of Armenia and of the region as a whole. The establishment of a Transcaucasian and Central Asian Department at the British Foreign Ministry is one of the facts attesting to this.

The following characterizes the present progress in Armenian-British relations: There already is a decision in principle to open a British diplomatic mission in Yerevan in 1995. The stable political relations may spur further British economic interests or presence. I have given this objective precedence and am working in that direction so that we can use the present favorable British-Armenian relations to attract the British enterprises, business circles, and banks, and their investments to Armenia.

Armenia's Ambassador to Great Britain Armen Sargisyan also represents Armenia at the EU. What are Armenia's interests in that union? Our presence in NATO is very important. Mr. Sargisyan says: Armenia has signed the Partnership For Peace program. We now have very practical relations with NATO and are working on a separate agreement between Armenia and NATO.

But, the basic issue is cooperation with the EU. This is a diplomatic and political task aimed at clarifying Armenia's partnership in European political and economic structures and its role in future Europe. However, the most important part of that work is taken up with daily problems because most of the humanitarian assistance to Armenia comes from European bodies. We have agreements according to which this assistance will continue next year. It is necessary to ensure a dialogue and exert pressure on the EU through our permanent mission so that the assistance sent reaches its destination on time

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and in good condition. The mission is taking the initiative and is tugging other countries after it. It is clear that in terms of our size we are receiving the most assistance within Europe. We trying to expand this assistance to various European philanthropic societies too.

ARF Publications Closed, Leaders Said Detained

NC3012183494 Yerevan Radio Yerevan International Service in Armenian 1710 GMT 30 Dec 94

[FBIS Translated Text] The activities of the Armenian Revolutionary Federation [ARF] were temporarily suspended in Armenia with a decree from the Armenian president.

The ARF Central Committee's Bureau in Yerevan was searched on the same night [28 December]. The activities of YERKIR and AZATAMART newspapers and the HAYLUR news agency were suspended. The publication of ARAGATS and MUNETIK newspapers were also suspended. Though the latter two do not belong to ARF, their editors side with that party.

According to the NOYAN TAPAN news agency, many party members were detained yesterday.

In a news conference yesterday, ARF's parliamentary faction announced that the Republic's president acted in an impermissible way by assuming the authority of the judiciary and investigating organs and by violating human rights and the principle of innocence until guilt is proven.

Azerbaijan

Democratic Election Urged To Counter Russia

NC3012212194 Ankara TURKISH DAILY NEWS in English 28 Dec 94 pp 1, A8

[Report by Adnan Caglayan]

[FBIS Transcribed Text] Baku—Turkey, worried over Moscow's recent moves to regain control of Transcaucasia, has asked the Caucasian republic of Azerbaijan to create a democratic atmosphere in the country for a parliamentary election scheduled for June next year. Turkish Parliament Speaker Husamettin Cindoruk, on a visit to Baku, met Azeri President Geydar Aliyev late Monday and Tuesday and expressed to him Turkey's wish for the holding of a democratic general election in Azerbaijan.

Informed sources said Cindoruk had discussed the contents of the message to Aliyev with President Suleyman Demirel and Prime Minister Tansu Ciller before flying to Baku.

Indicating that Turkey's Grand National Assembly was ready to extend assistance to the Azeri Parliament in the preparations for the elections, Cindoruk said Turkey would send parliamentary teams to Baku to help prepare an election law.

Aliyev, after meeting Cindoruk on Tuesday [27 December], told reporters that a democratic state governed by the rule of law would be created in Azerbaijan. "We want to utilize the Turkish Parliament's experience regarding next year's election," he said. However, the Azeri opposition was not hopeful about the creation of a democratic atmosphere in the country in the short term.

Ali Kerimli, deputy chairman of the opposition Popular [People's] Front, told the Turkish Daily News [TDN] that no democratic elections could be held in Azerbaijan under the current conditions. "First, democratization of the country is needed. Activities of our Popular Front should be set free, political parties should be given the right of free public promotion. Plus, the election law to be prepared should be based on a consensus of political parties," Kerimli said.

The Azeri Popular Front was the main group supporting nationalist former President Abulfaz Elcibey, who was forced to step down in June 1993 following a rebellion against his rule. Elchibey was replaced by Aliyev.

Another opposition leader, Isa Kamber of the Musavat Party, told the TDN that he believed an election to be conducted by Aliyev—a former politburo member during the reign of former Soviet leader Leonid Brezhnev—would not be democratic. "Aliyev is a follower of (former Soviet dictator Joseph) Stalin's school. For him, not the voters, but those who count the votes are important," said Amber, a former Parliament speaker.

Five opposition parties, including the Popular Front and the Musavat Party, plan to enter the June election in a united front, if democratic conditions prevail, officials from the parties said.

Cindoruk's visit to Baku coincides with the final hearing of a trial conducted against Kamber, who was charged with "resisting the forces of former Prime Minister Suret Guseynov, who toppled Elchibey" in 1993. Guseynov, himself, was sacked earlier this year, but Kamber's trial continued.

Cindoruk, who will end his visit to Azerbaijan late Wednesday, was given an honorary doctorate by Baku State University on Tuesday.

In a separate development, officials said Turkey has shipped 17,000 tons of wheat to Azerbaijan. It previously sent 20,000 tons. Azerbaijan, suffering from a food shortage earlier this year asked Ankara to send a total of 100,000 tons of wheat.

Turkish Leaders Concerned Over Ganja Trials

NC0201185195 Baku TURAN in English 1500 GMT 2 Jan 95

[FBIS Transcribed Text] Istanbul, January 2 (TURAN)—Turkish Prime-Minister Tansu Chiller and Speaker of Turkish Parliament Husamettin Cindoruk spoke on the phone with Geydar Aliyev, according to TURAN special correspondent in Istanbul. According to diplomatic

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sources, during the talks Turkish authorities expressed concern with the trial on Ganja events 1993. "We cannot understand how such man as Isa Gambar can be accused in anti-governmental activity. He and his supporters has brought Azerbaijan to independence," one of the employees in Turkish Foreign Ministry told TURAN.

During last days most political parties of Turkey expressed negative attitude to the trial on Ganja events in Baku, at which six representatives of Elchibey's government are accused in [remainder of item not received]

Georgian Delegation Discusses Azeri Community

NC0201191895 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 2 Jan 95

[FBIS Translated Text] Republic's President Geydar Aliyev received today a delegation headed by Vakhtang Goguadze, first deputy chairman of the Georgian parliament [title as heard].

[Begin recording] [Unidentified correspondent] Members of the Georgian Parliament (Shalvama Telashvili), (Tamez Gangremiz), (Raman Minashvili), (Mikayel Chelezi), (Zorab Jivaniya), and the Georgian Ambassador to Iran Jemshid Giunashvili met the Azerbaijani president before their official visit to Iran.

The speaker of the Georgian Parliament Vakhtang Goguadze [title as heard] began the talks with a complaint. Georgia has been waiting for the last half year for the Azerbaijani president, but Geydar Aliyev has put off his visit to that neighboring state.

He considered the development of cooperation between the two neighboring republics necessary, not only because of geographic proximity and historic links but also because the period we live in and the interrelated problems we face require that we overcome the existing situation through joint efforts.

After confirming our historic links with Georgia, Geydar Aliyev expressed hopes the new year will be auspicious. The end of war, the safeguarding of territorial integrity, and the return of the refugees to their homes are of vital importance for both republics. Another concern of Azerbaijan is the social situation of the Azerbaijanis living in neighboring Georgia. Though Georgia's interest in more than 500,000 Azerbaijanis has increased of late, our country's leadership cannot remain indifferent to the fate our compatriots. The Azerbaijani president considered the solution of the existing problems in this field as imperative.

Views were exchanged during the meeting on matters of mutual concern.

Congress Demands Discussion of Participation in CIS

NC3012205594 Baku TURAN in English 1400 GMT 30 Dec 94

[FBIS Transcribed Text] Baku, December 30 (TURAN)—"The resolution of the Russian Government on stoppage of transport communication with Azerbaijan is a method for exerting pressure on the nations, which Russia considers to be its opponents on the Caucasus", the Democratic Congress of Azeri political parties comments on Moscow's measures.

The statement reads that imposing of sanctions by Russia against Azerbaijan and not against Armenia confirms the assessment of the Democratic Congress.

Touching upon Russia's one-sided anti-Azerbaijani position to the Armenian-Azerbaijani conflict, the Democratic Congress mentioned that Russian Federation once more demonstrated its preconceived regard for Azerbaijan.

The statement also mentioned that Russia cannot take such resolution since Azerbaijan and Russia are equal members of the CIS.

"In this situation Azerbaijan's further participation in the CIS and Collective Security Pact becomes impossible and the Democratic Congress demands discussion of this issue on the next session of the Milli Mejlis", reads the end of the statement.

Guseynov Adviser Denies Former Prime Minister Fled Country

NC3012205494 Baku TURAN in English 1400 GMT 30 Dec 94

[FBIS Transcribed Text] Baku, December 30 (TURAN)—The former Azeri President, Ayaz Mutalibov, is in Moscow. As far as ex-Premier, Suret Huseynov, ex-Defense Minister, Rahim Gaziyev and Alikram Humbatov, are concerned, they did not flee anywhere and are presently on Azeri territory in the different regions of the republic, Suret Guseynov's Adviser, Professor of Ganja's Technological Institute, Saday Nazarov, told in his interview to Azeri editorial staff of Liberty radio.

Saday Nazarov says that recently founded Union "Civil Solidarity", with Suret Huseynov its member, stands for restoration of territorial integrity of Azerbaijan and achievement of real independence of the country.

Saday Nazarov mentioned that this organization has been founded by the supporters of Mutalibov, Guseynov and Gaziyev. Several political and public organizations of Azerbaijan also support "Civil Solidarity" Union.

"If "Civil Solidarity" Union comes to power, many points of the oil contracts and addenda to it will be revised with account of priority of Azerbaijan's national interests", Nazarov says. He said that Suret Guseynov never opposed the oil contract. He thinks that "contract of century" signed by President Aliyev's regime yields to the variants earlier worked out by Ayaz Mutalibov's and Abulfaz Elchibey's administrations", Saday Nazarov says.

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President Aliyev Gives New Year's Message

NC0201190695 Baku TURAN in English 1500 GMT 2 Jan 95

[FBIS Transcribed Text] Baku, January 2 (TURAN)—"Azerbaijan enters into a new 1995 with optimism", President Aliyev mentioned in his New Year's speech.

He expressed hope that in 1995 Azerbaijan will succeed in strengthening of independence, liberation of captured territories, security of territorial integrity and refugees home-coming and final settlement of the Armenian-Azerbaijani conflict. "Azerbaijan stands for peaceful settlement of this conflict and bringing end to the war, we welcome continuing cease-fire and Azerbaijan is able to champion integrity of its territories", Azeri President said.

President Aliyev called the year of 1994 the year of further stabilization of political situation in the country. He said that after signing of oil contract on September 20, 1994, several circles attempted to commit a coup. Decisive actions and unity of the nation reduced the intentions of adversaries of Azerbaijan to nothing, he mentioned.

President Aliyev assured that organizers of performers of October's coup: Ayaz Mutalibov, Suret Guseynov, Rahim Gaziyev, Alikram Gumbatov, Vagif Guseynov and others are in Moscow. "The earlier they realize their blame, the less grave their punishment will be", he said.

Azerbaijani President congratulated Azeri nation on the Day of Solidarity of Azeris throughout the world and called for national consent and unity.

Democratic Party Issues Statement

NC2912214394 Baku TURAN in English 1657 GMT 29 Dec 94

[FBIS Transcribed Text] Baku, December 29 (TURAN)—"Due to the policy of the current authorities, which is aimed against national interests, the majority of the population is brought to the brink of poverty, corruption and bribery are flourishing among the authorities, instead of socio-economic reforms, the authorities try to settle problems by prices increase", reads the statement of Higher Soviet of Azerbaijan's Democratic Party.

Democratic Party considers that the current authorities resorted to the very dishonorable methods to attract nation's attention away from the urgent problems. "Imposing of strict political censorship in press, harassment of the opposition and propaganda of personality of the leader of the republics on television testify to this fact", reads the statement.

Democratic Party thinks that the intention of the top powers to form two-Chamber Parliament is also aimed at preservation of an usurped power established as a result of anti-state mutiny in 1993.

Higher Soviet of Azerbaijan's Democratic party called upon the nation to unite around opposition democratic forces.

Georgia

Gas Contract With Turkmenistan Renewed

LD3112223494 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 31 Dec 94

[FBIS Translated Text] A contract has been signed under which as of 1 January, Georgia will be receiving 4 million cubic meters of natural gas per day from Turkmenistan.

The Kutaisi automobile plant will be receiving 1 million cubic meters per day next year. The Rustavi metallurgical plant has changed its contract with Russia to increase the supply by 1 million cubic meters. It will be receiving 3 million cubic meters [per day] as of the New Year.

According to the Georgian Cabinet of Ministers, as of the New Year, Georgia will be receiving a total of 8 million cubic meters of gas per day.

Kuchma Writes To Shevardnadze on Cooperation, CIS

LD2912202794 Tbilisi SAKINFORM in Russian 1632 GMT 29 Dec 94

[FBIS Translated Text] Eduard Shevardnadze has received a letter from Ukrainian President Leonid Kuchma. In particular, the letter says that seeking efficient ways to overcome the economic crisis, stabilize home policy, and increase the standards of living of the population is a major task for Ukraine, Georgia, and other CIS countries. The letter says that in its striving to implement economic reforms, Ukraine considers developing the comprehensive cooperation with Georgia and other CIS countries as a matter of particular importance. "With regard to this, I support your idea of coordinating our activities within the United Nations, other international organizations, and the CIS," Leonid Kuchma writes. He emphasizes that he regards regular Ukrainian-Georgian consultations at the highest level as useful and, therefore, gratefully accepts Eduard Shevardnadze's invitation to visit Georgia.

Border Issues Discussed With Russian Commander

LD3112202294 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 31 Dec 94

[FBIS Translated Text] The KONTAKT news agency has sent us information from the press secretariat of the head of state that yesterday, 31 December [date as heard], Shevardnadze, the chairman of parliament and head of state, received Lieutenant General [Viktor] Zemtsov, commander of the Transcaucasus border district, and representatives of the Gruziya [Georgia] group

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of the Russian Federation border troops. It was stressed at the meeting that both Russia and Georgia do not want our country's territory to be used by militants, terrorists, and arms dealers to penetrate Russia. At the same time, Georgia's borders should be strictly protected to prevent such groups from entering Georgia.

In conclusion, Mr. Zemtsov conveyed to the head of state the New Year's greetings and best wishes from [Andrey] Nikolayev, commander-in-chief of the Russian Federation border troops.

Border To Be Tightened Over Chechen Events

LD0101135095 Moscow ITAR-TASS in English 1333 GMT 1 Jan 95

[By ITAR-TASS correspondent Albert Kochetkov]

[FBIS Transcribed Text] Tbilisi January 1 TASS—Georgia and Russia are tightening up border control because of the events in Chechnya. The press service of Georgian head of state circulated a statement saying that an agreement on stronger border control was reached during a meeting in Tbilisi of Eduard Shevardnadze and Viktor Zemskov, commander of the Caucasian border district.

Well-informed sources said the interlocuters expressed concern over the situation at a 80-km border stretch on the Caucasian range which was crossed these days by hundreds of refugeees from Chechnya.

This stretch may be used by mercenraries to enter Chechnya. Shevardnadze and Zemskov agreed that control of the Russian-Georgian border requires strengthening.

Chechen Crisis Compared to Abkhazia

LD0301115895 Moscow Radio Rossii Network in Russian 1000 GMT 3 Jan 95

[FBIS Translated Text] The situation in Chechnya continues to be at the center of public and media attention in Georgia. With the details, our correspondent Nikolay Mamulashvili:

[Mamulashvili] During the Chechen conflict there has been a sharp increase in the flood of refugees from that republic into Georgia. In his traditional radio interview on 2 January, Eduard Shevardnadze, the head of the Georgian state announced that the refugees were mainly settling in Kakhetia and that the Georgian Government should take care of them just like the refugees from South Ossetia and Abkhazia.

The head of the Georgian state said the Abkhaz side was preparing special groups of fighters who would subsequently be sent to Chechnya to take part in the fighting on the side of Dzhokhar Dudayev.

According to Georgian sources, in Chechnya there are more than 1,000 fighters from Abkhazia fighting against Russian forces. It should also be mentioned that of late the conflict in Chechnya is more and more often being regarded in the context of the Georgian-Abkhaz conflict. The fact is, Georgian ex-Minister of Defense MP Tengiz Kitovani is an initiator of the creation of the National Liberation Front and has repeatedly stated that after the introduction of Russian troops on Chechen territory Georgia reserves the moral right to send its sub-units into Abkhazia, since in both cases it is a question of the territorial integrity of both Russia and Georgia.

According to Kitovani, the National Liberation Front unites more than 12,000 fighters who once fought in Abkhazia and who are ready at any time to take up arms to resume combat operations in that region. But many in the republic consider these plans by the Georgian ex-minister of defense to be a dubious venture. As for Shevardnadze, he remains an adherent of a peaceful political settlement of the Georgian-Abkhaz conflict.

Another thing: More and more since the start of the Chechen conflict people of various opposition parties and sociopolitical currents in Georgia have been insisting that Russia cannot act as peacemaker at any rate in the Caucasus. Official Tbilisi has not yet made any statement on this.

New Year Address by Eduard Shevardnadze

LD0101152495 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 1 Jan 95

[New Year addresss to the nation by Head of State Eduard Shevardnadze on 31 December, in Tbilisi—recorded]

[FBIS Translated Excerpt] You will forgive my using a crib.

Dear friends, batonebo [Georgian polite form of address] my fellow countrymen. A few more minutes and 1994 will become part of history and the 1995th year after the birth of Christ will begin. [passage omitted]

I am facing a dilemma today. What can I tell you, and how can I make you happy, my dear brothers and sisters, children and grandchildren, my cherishable people, children of all nations living in Georgia? [passage omitted]

I do not want to divide the country into supporters and opponents. The wall formerly separating us has become ruins. I believe that this is the case, and I believe this will be the case. [passage omitted]

The year 1994 was the year that ended the civil war and this meant entering a peaceful phase. [passage omitted] I do hope the new year will further strengthen peace and love, restore justice, and unite Georgia.

The year 1994 was an initial phase of radical economic reforms and socioeconomic revival. It was the year of perseverance for implementing the anticrisis and national salvage program. Formation of legal democratic state and market economy, unification of the country

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and the nation—these were fundamental goals our country pursued in 1994. We can all now see that these are most complicated problems and it will probably take years to resolve them. [passage omitted]

The year 1994 was the year of actual salvation of democracy and Georgia's independence. The past year required a move toward financial and economic reforms. This was a hard experience for each family and citizen. At the same time, this was the year of forming new relations with the outside world, especially with the European economic and financial centers. [passage omitted]

The past year was a turning point in the formation of major attributes of the State, I mean the Armed Forces, the security system, and the police.

There were many positive occurrences in developing relations with the United Nations, the European Union, the CIS, the Black Sea Economic Alliance, Russia, the United States, Turkey, both Western and Eastern countries of the CIS, and our immediate neighbors.

The CSCE Budapest meeting and the resolution concerning Georgia adopted there will be written down in history. The belt narrows around the separatists, who are in isolation now.

However, we all, central and local authorities, are in debt to the people. We failed to make you feel at ease, we failed to ease your hard lot. We know what we have to do but, alas, the heritage is grave, and internal as well as outside factors are not beneficial. Hence, we are often unable to act so that the effect is felt immediately by each citizen.

The endurance the Georgian people and every citizen of the country show is miraculous. Like biblical Job, he endures hunger, cold, high prices, and the still uncontrolled rampage of Mafiosi clans. I realize that everything, especially human patience, has limits. I address you, my dear fellow countrymen, with deepest gratitude for your generosity and temperance, for the adequate apprehension and understanding of the objective difficulties of the crisis. There were many attempts to make you lose your temper and balance. There were many calls for going out into streets, turning your back on the authorities, and even rising against the authorities, but you stood firmly to protect honor, peace, and the future. Thank you.

I am grateful to those political and public forces who support us in our striving toward a better future for the country. I am grateful to those opponents who offer political and democratic forms of resolving political and social problems, including the problem of power.

I am grateful to the Supreme Council, which, despite well-known contradictions and oppositions, manages to express the country's interests even at the most critical stages. [passage omitted]

The year 1995 will be the year of adopting a new Georgian Constitution, the year of electing the country's president, if the Constitution stipulates this, and electing the Supreme Council. [passage omitted]

Greetings to those who were driven away from their homes in Abkhazia and Tskhinvali. I want you, our tormented brothers and sisters, to know that we are close to liberation. We will soon see the sun rise. Your country is concerned about you on the New Year's eve. The world is concerned about you, as well as the UN Security Council and the leaders of the 52 countries of Europe and Asia who recognized the Abkhazian tragedy as ethnic cleansing, genocide, and a grave crime against humanity. The pirates of the 20th century must know that they will not be able to turn the wheel of history back. [passage omitted]

Interview With Shevardnadze

LD0201132295 Tbilisi Radio Tbilisi Network in Georgian 0627 GMT 2 Jan 95

[Studio interview with State Council Chairman Eduard Shevardnadze by interviewer Nato Oniani; place and date not given—live or recorded]

[FBIS Translated Excerpt] [Oniani] Good morning. We present a radio interview with Mr. Eduard Shevardnadze, chairman of the Georgian parliament and head of state. [passage indistinct]

[Shevardnadze] Good morning and let me wish you a happy New Year again. I would like to start with a review of the economic situation. [passage indistinct]

Unfortunately, complications and problems have arisen with approving the 1995 budget. [passage indistinct] It is essential that this budget be approved in the near future. Every day is important. This should improve the chances of continuity in implementing economic reforms. The fact that the budget has not been approved will prolong the economic crisis. It seems that this is exactly what some members of parliament want to see because that is how they understand their mission in parliament. Nevertheless, I believe that the budget will be approved in the next few days.

Certain changes in the Georgian economy which started in 1994, and especially in the last six months, show that our potential is gradually growing. The most noteworthy among them is a trend toward a well-balanced republican budget through our own revenue as well as through foreign assistance and grants. But even more remarkable is the continuous strengthening of the coupon of the National Bank. [passage omitted]

It is becoming increasingly evident that commercial banks have recently been showing a growing interest in the coupon. This is true not only about the banks but also the population. The mere fact that the National Bank has sold only an insignificant proportion of its reserves

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shows that the value of the coupon has grown considerably. This proves that the improvement and stabilization of Georgia's financial system continues.

Although positive trends in the sphere of production are far less impressive, some improvement can be seen there as well. This applies particularly to the slowing down of the economic decline. Last year we could only talk about slowing the decline. According to data from the Economics Ministry, gross domestic product in the first quarter of 1994 was only 39 percent on the same period in 1993. This figure rose to 49 percent in the first six months and reached 53 percent after the first nine months. The ministry estimates that the results for the whole year may reach 80 or 85 percent.

Agriculture played a decisive role in this process. Despite most unfavorable conditions this year and the extremely low level of material supply, the Economics Ministry estimates that total [agricultural] output [in 1994] could be 3-4 percent higher than the previous year's output.

By the way, those who are familiar with the situation at farmers' markets, for example, in Tbilisi, can see that our agriculture—especially, the private sector, private farmers—is producing quite a lot. It is true that it is expensive, but once produce is in abundance, it will then cost less. [passage omitted]

The situation in industry is far more complex, but had there not been problems with gas supplies in November and December, we would have achieved a certain degree of success in this sphere as well. Industrial output fell by 71 percent in the first quarter, by 49 percent in the first six months, and by 42 percent in the first nine months. We believe that the annual decline rate should be even smaller. [passage omitted]

[Oniani] Just before the New Year, Bakur Gulua was appointed as deputy prime minister.

[Shevardnadze] I am often asked about the reasons for this appointment. I must say that this is a continuation of the policy we have chosen to involve real professionals and reformers in government. Bakur's experience should be useful for the government and for the country in general.

I believe that 1995 should be a year of economic improvement and revival. All our efforts will serve this objective. A ruined and inefficient economy will not allow the forthcoming elections to be held in a normal way and will also delay a final settlement of the Georgian-Abkhaz and Georgian-Ossetian conflicts. In a sense, it can be said that the economy equals everything, economy decides everything.

[Oniani] Speaking about our countrymen who have been made refugees, you said in your New Year message that salvation is near, that things will improve soon, and that we will return [to Abkhazia]. [passage omitted] Measures have been taken to step up border protection. However, for some Russian politicians it is still not clear, for some reason, whether Abkhaz are fighting in Chechnya or not. [passage omitted]

[Shevardnadze] First of all, I would like to comment on the statements by some politicians that Abkhaz are not fighting in Chechnya.

Abkhaz are fighting in Chechnya, and there are many people on Abkhaz territory getting ready for this. There is nothing in this to cheer or celebrate. Quite the opposite, we are concerned and we regret that our Abkhaz citizens are going there. And you know what the consequences of going there can be.

In his radio interview yesterday, speaking on behalf of the Russian Security Council, [council secretary] Mr. [Oleg] Lobov reaffirmed this. He mentioned an Abkhaz battalion as well as battalions from Pakistan and other countries.

[Oniani] Before that, there was a similar statement by [Russian Deputy Defense Minister) Kondratyev.

[Shevardnadze] Before that, Kondratyev confirmed that he had noticed groups which were ready to go, were getting ready to go, or were on their way to Chechnya. Many Abkhaz militants have been killed. We have reports on this from sources of information we rely upon. The bodies of some them have been returned to Abkhazia.

In this connection, I would like to say that a very important instruction has already been implemented: quite a large proportion of deputies from the Supreme Council of Abkhazia [words indistinct] have resumed work. [passage indistinct]

[Oniani] You said [words indistinct] 1995 will be the year of a new constitution and presidential and parliamentary elections. Recently you have held frequent meetings with the Constitutional Commission, but unfortunately society is not very interested in issues concerning the constitution.

[Shevardnadze] The drafting of the constitution is entering a decisive phase. We will also meet tomorrow to continue our examination and discussion. This has been quite an interesting process. The editorial team is preparing a draft for the Constitutional Commission. I believe we will have a very interesting constitution. Its adoption will lay a foundation for new elections. As soon as the work on the draft constitution is completed, we will not wait for its final examination but will start drawing up an electoral law. So all this will happen simultaneously. And I believe that when the time comes to hold elections, the country will be ready, as far as the drafting of the constitution and electoral law are concerned.

[Oniani] I think it was in last week's interview that you spoke about Chechen refugees. You said border protection has been stepped up, but that, of course, we should

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admit the elderly, women, and children who have been displaced from Chechnya. What is the condition of these people and what are the Georgian authorities doing to help them?

[Shevardnadze] According to our information, several hundred families have entered Georgia by various routes and through various channels. These are mainly women, children, and elderly people. You know that many of them have relatives here, especially in Kakheti [Province].

I have told the Cabinet of Ministers to issue an instruction that they be given urgent assistance on an equal level with our sisters and brothers displaced from Abkhazia and Samachablo [South Ossetia]. We are in difficulty, and our resources are really short, but we will do this anyway.

I believe the events in Chechnya will be over in the next few days—I have no doubt about it—and that peace, order, and democracy will be established in that land as well. [passage omitted]

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Estonia

'Disputed Territories' Question May Be Dropped

LD2912181894 Moscow INTERFAX in English 1634 GMT 29 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 29 (Interfax)—Tallinn is prepared to lift the question of "disputed territories" with Moscow if the latter recognizes the Tartu Peace Treaty of 1920.

Chief of the Estonian Foreign Ministry section Mart Helme said in an exclusive interview for Interfax that "if Russia recognizes the Tartu peace treaty, Estonia in response is prepared to agree to the preservation of the ground border between the two countries in its present state."

Helme said that if so, Tallinn will give up all "disputed territories" which are now under Russia's jurisdiction." "There will be drawn a control line via concrete settlements." The diplomat said that "earlier the Russian side agreed to such wording of the question."

According to the Tartu treaty Estonia owned part of the territory of the Pskov and Leningrad regions with the total area of around 2.5 thousand square kilometers. After Estonia joined the former Soviet Union in late 1930s those lands again were made part of Russia.

Moscow considers the Tartu treaty as invalid and believes that there is a new juridical base, for example, the Russian-Estonian treaty on the principles of the inter-state relations (1991), which formulates the problem on borders.

Helme, who is responsible for relations with the Russian Federation and other CIS countries, believes that the treaty of 1991 "only declares the respect for the territorial integrity of the two countries." "Each side understands this notion in its own way," he said.

The recognition by Russia of the Tartu Treaty is vitally important for us because in this way the legal continuity of the Estonian state is recognized, said Helme. He said that a "mutually-acceptable formula, for example, a joint communique or agreement, could be found."

Justice Minister on Pact Ratification

WS0301095495 Tallinn BNS in English 1821 GMT 2 Jan 95

[FBIS Transcribed Text] Tallinn, Jan 02, BNS—Justice Minister Juri Adams holds the opinion that some Estonian laws related to the implementation of the Estonian-Russian agreements signed July 26 can be amended only after the parliament ratifies the agreements.

"The question of changing some laws may arise if the accords are ratified, but not before ratification," Adams told BNS, adding that amendments to legislation were not "absolutely necessary."

Estonia's previous government issued a decree under which the Justice Ministry together with the Foreign Ministry had to submit to the government draft laws and decrees to bring effective legislation into line with the Estonian-Russian agreements.

Hurma Kiviloo, head of Justice Ministry draft laws department, told BNS the ministry hadn't as yet taken any steps to fulfill the government decree. The ministry was waiting for a political decision by the government on whether Estonian laws had to be brought into line with the agreements or whether the principle of international accord's superiority was to be applied, she said.

Adams told BNS in an earlier interview that the problem was not in the contradiction between the agreements and Estonian legislation, but in superiority of certain legal acts over others. "An international agreement always takes precedence over national legislation," he said.

The justice minister told the RAHVA HAAL daily that, if the agreements are ratified, there may arise problems in connection with selling apartments to Russian military retirees and calculating their length of service for issuing them privatization vouchers. If a retired Russian military is refused a residence permit, it is unclear how and by whom the danger he poses to Estonia's security is to be established. Another unclear point is who is to be regarded as a military retiree.

The Justice Ministry first submitted a legal expertise of the Estonian-Russian agreements to the government at the end of October. The government then decided to return it to the ministry for some specifications and ordered the Justice Ministry together with the Foreign Ministry to draft laws and decrees to bring Estonian legislation into line with the agreements. The order mentioned no deadlines.

Despite that, the then Mart Laar's government approved the agreement on the withdrawal of Russian troops and the accord on social protection of Russian military retirees and their family members at its last session early in November.

Russia Captures National in Grozny

WS3012144394 Tallinn BNS in English 1257 GMT 30 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 30, BNS—Russian troops captured a few days ago an Estonian near the Chechen capital, Grozny, Russian military circles told BNS.

The military said the Estonian's name was Kask. He was registered as a resident of a Caucasian state, but his passport gave his nationality as Estonian. He may have been wounded when taken prisoner, some reports say.

It is possible that the prisoner is an ethnic Estonian who fought on the side of the Chechen President Dzhokhar Dudayev.

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Officials at the Estonian Defense League voluntary paramilitary corps ran a checkup to find out if any person named Kask served in it and if yes, whether he was in Estonia. Defense League press officer Andres Reimer told BNS no league members by the name of Kask had left Estonia.

Russian military authorities have reported that several persons registered as Latvian residents have also been detained in Chechnya. They are of Caucasian origin and don't have Latvian citizenship, the military said.

The command of the Russian interior troops claimed already Dec. 22 that their forces had captured foreign mercenaries near Grozny. The Russian INTERFAX news agency informed that, "according to some reports," the captured men were residents of the Baltic and Transcaucasian states who were fighting on the side of Dudayev.

The Estonian POST tabloid reported some weeks ago that five members of the disbanded Laanemaa Voluntary Infantry Company had started out for Chechnya to join the fight against Russian troops. Former leaders of the unit have refused to comment on the report.

The Russian-language ESTONIYA newspaper quoted Lembit Pold, identified in the article as an official at the Defense League's 2nd department, as saying that more than one hundred Defense League volunteers had gone to Chechnya.

The Defense League in its comments said the organization had officially sent none of its members to Chechnya and wasn't going to do so. Reimer also told BNS the man quoted in the newspaper report didn't work at the 2nd department of the Defense League.

BNS has information that a group of Estonians had actually decided to go to Chechnya to join the fighting. There is no information whether they reached their destination.

Shortly after Russian troops invaded Chechnya, secret service officials announced they had contacted their colleagues in Ukraine, the Baltic states, and Transcaucasian countries to find out if any mercenaries from those countries had gone to Chechnya.

Estonian Security Police chief Juri Pihl told BNS his department had no information about Estonians fighting in Chechnya. "As long as nobody breaks Estonian laws, the security police won't start investigating the matter," he said.

His Lithuanian counterpart, Jurgis Jurgelis, said his department was not going to give Russia any information about persons who might be fighting in Chechnya.

Russian military have captured citizens of Iran, Afghanistan, and Pakistan in Chechnya, the RIA news agency reports. The Russian Foreign Ministry warned those countries' governments against sending mercenaries to the mountain republic.

President Meri Gives New Year's Address to Nation

LD0101175595

[FBIS Editorial Report] Tallinn Radio Tallinn Network in Estonian at 2150 GMT on 31 December carries a 10-minute live or recorded New Year's address to the nation by Estonian President Lennart Meri in Tallinn on 31 December.

Meri says: "The year's end is the time to take stock. I do not want to speak this evening about politics. This evening I want to thank you, dear people of Estonia, for what you have done over the last year with your daily hard work, despite the hardships, for the Republic of Estonia."

He says: "The Republic of Estonia has risen to its feet from the sick bed of the Russian occupation and is walking as an equal among other states. Our voice is heard, is heard even far away, and is heeded. We are not alone and forgotten as we were only eight or six or even five years ago.

"Let us recall for a while the memories of the Politburo during times of Russian rule, which could in a second make decisions to send whole nations to Siberia or to the deserts of Central Asia or could decide that Estonia should be transformed into a huge Union-wide phosphorite mine or into a huge pig farm. These times will never come back. They are gone forever."

Meri continues: "About 10 or 15 years ago, during Russian times, when we had to speak through a muzzle, I asked you where we were coming from and where we were going. This was an evocative question, because there was nowhere to go in the dead end of communism. This ever-fresh question now has content, because the smallest nation in Europe once again has the freedom to choose its own path to guarantee to our children, to our language, to our culture, and to our way of life the right to live. This right to live can be guaranteed only by Europe's democratic traditions."

Commenting on the issue of the Estonian-Russian border, Meri says: "At the beginning of 1993, I arranged three conferences on national security, where the central issue was to guarantee security in the country and, as a precondition, to establish full control on our border. I am seriously disappointed that the government has underestimated these issues, issues central to our state, and the same issues are today, more than 20 months later, still on the agenda."

Meri says he is pessimistic about the world outlook for 1995: "Next year will bring disillusionments to the world over the effectiveness of international organizations; it will bring new hotbeds of danger and abrupt changes in existing lines of power."

Meri concludes his New Year's message with wishes for "hope, love, and a happy New Year."

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Current, Past Premiers Review 1994

WS0201135795 Tallinn BNS in English 1753 GMT 30 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 30, BNS—The Baltic News Service asked Estonia's former prime ministers Edgar Savisaar, Tiit Vahi, and Mart Laar, as well as the present head of government, Andres Tarand, to take a look back at the year 1994 and make a prognosis for the new year. Vahi was unfortunately unable to find time for an interview.

Prime Minister Andres Tarand found that the year 1994 passed somewhat better than satisfactorily. In his opinion, the progress of reforms might have been quicker. A number of important breakthroughs were made in the sphere of foreign policy, notably the withdrawal of Russian troops and several steps toward Estonia's entry into the European Union, he noted.

The premier said he had nothing to reproach his Cabinet with. He rated approval of next year's state budget and attaining "domestic peace" by Christmas as its greatest achievements.

Tarand, who held the post of environment minister before his appointment as the head of government, attached particular importance to submitting a draft law on sustainable development for discussion in parliament next year.

The premier voiced hope that Estonian citizens would actively participate in the parliamentary election in March. He hoped no political force would gain absolute predominance in the new parliament, which would be conducive to continued cooperation between political parties.

In the premier's opinion, Estonian agriculture will be looking up and land reform will pick up speed next year. He named serious preparation for joining the European Union and continued regulation of Estonian-Russian relations as some of the government's priorities for 1995.

Laar told BNS that although the latter half of the year 1994 had a grievous catastrophe—the sinking of the ferry Estonia—in store for Estonia, the year was on the whole a good one. He named the pullout of Russian troops and irreversible reforms as the most important events of the year. This was also the first year of the country's economic recovery, he noted.

In Laar's opinion, his Cabinet accomplished the tasks it had set itself. Commenting on his successor, Laar said Tarand's Cabinet had from the first the task not to make any changes and launch new initiatives, but to preserve what had been achieved and ensure stable development until the elections. "This is a task Tarand is perfectly well able to cope with and Pro Patria has done its best to support the premier," Laar said.

Laar believes the elections in March will set the course for Estonia's future development and show whether former rulers will manage to return to power as in several East European countries or whether Estonia will be able to avoid this and continue on a course of reforms.

Estonia's development in 1994 undoubtedly showed the trend of recovery, Savisaar told BNS. "It seems to me that the reforms launched in 1989-1992 are only now beginning to bear fruit, especially as the course of reform has been steadfastly maintained also in recent years," he said.

In Savisaar's words, Laar's government was politically paralyzed for most of the year, so no great demands on it could be made.

Commenting on the work of Tarand's Cabinet, Savisaar pointed out that most ministers of Laar's government continued in their posts and thus the new Cabinet is afflicted by the old troubles.

"It was disappointing that Tarand changed his mind and decided to run in the election. Now he is willy-nilly forced to throw himself in the next few months into pre-election campaigning, which is going to disturb the work of the government. It would have been important for the state to have a stable administration until the elections," Savisaar said.

Savisaar, who is the leader of the Centrist Party, hopes for success in the upcoming parliamentary election. "Then we'll manage to put some things in order during the year 1995. What we are determined to do is solve as quickly as possible the problem of long-term, low-interest building and development loans," he said.

Latvia

Chechnya Protests Held at U.S., Russian Embassies

WS3012133994 Tallinn BNS in English 1035 GMT 30 Dec 94

[FBIS Transcribed Text] Riga, Dec 30, BNS—Around 20 members of various Latvian national organizations staged a picket at the buildings of Russian and American embassies in Riga to protest Russian aggression in Chechnya.

The United States supports the Russian aggression by announcing that the Chechen conflict is an internal affair of Russia, picket members told BNS.

In the opinion of picket member Antonija Lutere, the United States and Russia have agreed on genocide against small nations, including Chechens.

The participants of the picket held slogans reading Russia—A Bloody Aggressor, Freedom For the Chechen Nation.

Representatives of national organizations have staged several-hour protests at the Russian Embassy daily starting with Dec. 16.

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NATO, EU Discussed With Polish Foreign Ministers

LD2812093294 Riga Radio Riga Network in Latvian 1800 GMT 27 Dec 94

[FBIS Translated Text] Latvian Foreign Minister Valdis Birkavs was today paying a one-day visit to Poland. He met Polish Foreign Minister Andrzej Olechowski there. The foreign ministers of the two countries discussed the possibility of reviewing Latvian-Polish agreements concluded in the 1920's and 1930's and establishing a transport link between Liepaja and Gdansk.

During the meeting much attention was paid to the prospects for development of NATO and the European Union and the outcome of the session of the Conference on Security and Cooperation in Europe held at the beginning of December.

In addition, Birkavs and Olechowski discussed Poland's experience in relations with the European Union and the possibility for the two countries to carry out joint measures in fighting organized crime in the future. No agreements were signed during the meeting.

Premier, Russian Envoy Discuss Retired Russian Officers

LD3012175294 Moscow INTERFAX in English 1525 GMT 30 Dec 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Russian ambassador to Latvia, Aleksandr Rannikh, on Thursday [29 December] met Latvian Prime Minister Maris Gailis to discuss the future of Russian military officers who have retired in Latvia, the press service of the Baltic country's government said in a release, obtained by Interfax.

Rannikh expressed concern over Latvia's plan to give retired officers only temporary residence permits, to be extended every year, and to issue such permits only to those who had left the Russian forces before January 28, 1992.

Gailis and Rannikh also spoke about those Russian officers who, although they retired before that date, were to leave Latvia by August 31, 1994, under a Russo-Latvian agreement, but have still not done so. Gailis accepted the Russian argument that the only reason for this was lack of funds to build housing for such officers in Russia. But the premier asked for urgent and exact information on all of them and for a schedule for their departure.

Draft regulations for the issue of residence permits to some retired officers and for the departure of others are due to be taken up by the Latvian government soon after the New Year.

Travel Regulations Introduced for Russian Retirees

WS0201135695 Tallinn BNS in English 1159 GMT 2 Jan 95

[FBIS Transcribed Text] Riga, Jan 02, BNS—Order, issued Dec. 29 by Latvian Interior Minister Janis Adamsons, determines that militaries, retired from the Soviet armed forces before Jan. 28, 1992, and their family members who have received stay permits, valid till Dec. 31, must provide guarantees of returning without prolongation of the term-stay permits, in case they want to go abroad for a short period of time, Interior Ministry's press center told BNS on Friday.

In return, stay permits, issued to servicemen who were retired after Jan 28, 1992, and their family members and who have received term-stay permits, valid till Dec. 31, will be annulled and data on these persons must be included in the Residents Register without issuing stay permits.

Adamsons said that all the persons, staying in Latvia illegally, must be deported from the state. He noted "it would not be normal from the point of view of human rights, but it is not also normal that these officers jeer at the state, where they are staying." Adamsons said the government planned to solve this problem soon.

The order was issued to avert possible tension, which could emerge after publication of the Cabinet's Dec. 27, 1994, approved amendments to the law on foreigners' arrival and stay in the Republic of Latvia.

Ulmanis, Gailis, Gorbunovs Hold Weekly Meeting

LD3012151394 Riga Radio Riga Network in Latvian 1300 GMT 30 Dec 94

[FBIS Translated Text] As is the tradition every week, today there was a meeting between President Guntis Ulmanis, Prime Minister Maris Gailis, and Saeima Chairman Anatolijs Gorbunovs. They assessed what has been achieved and not achieved, analyzed mistakes, and jointly sought a way to resolve problems. Ulmanis noted that this year Latvia has experienced many significant events that have fundamentally affected its life, and which gave cause to think about the country's future direction. At the end of the meeting, Ulmanis, Gailis, and Gorbunovs described their mutual collaboration as excellent.

Lithuania

Russian Embassy Hinders Aid Flights to Chechnya

LD3012144894 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 30 Dec 94

[FBIS Translated Text] The Russian Embassy in Vilnius is hindering the departure of an international humanitarian mission to Chechnya, according to representatives

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of the "Physicians Without Borders" organization. It is an international apolitical organization, and in cooperation with Lithuanian organizations, has prepared a consignment of humanitarian cargoes at Vilnius airport for dispatch to Chechnya: Warm clothing, tents, medicines and surgical instruments. Physicians, and specialists in organizing camps for refugees, are ready to go Chechnya.

The physicians and the humanitarian cargoes could go to Chechnya on board Lithuanian Airlines aircraft to the Sleptsovsk and Makhachkala airports of the neighboring countries of Ingushetia and Dagestan.

However, according to the organizers of the humanitarian mission, they have encountered obstacles at the Russian Embassy. Nikolay Obertyshev, the Russian ambassador to Lithuania, refuses to receive a "Physicians Without Borders" delegation, despite mediation efforts by the Lithuanian Ministry of Foreign Affairs. He claims to have had no instructions from Moscow.

The consignment of humanitarian cargoes has now been waiting at Vilnius airport for four days, waiting for visas and permits to fly to Chechnya's neighboring areas.

Foreign Ministry Note to Russians on Citizenship Issue

LD0201180295 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 2 Jan 95

[FBIS Translated Text] The Republic of Lithuania's Ministry of Foreign Affairs has reported that a note was sent today to the Russian Embassy in Lithuania in which the Ministry informs about the stance of the Republic of Lithuania on the issue of immigration policy, including specific decisions concerning the citizens of Russia Ivanov, Zylkov, Shchukin, and Kondrashov.

At the same time, the Ministry of Foreign Affairs notes that the memorandum handed to Romualdas Kozyrovicius, Lithuanian ambassador extraordinary and plenipotentiary to Russia, about alleged deportations of Russian citizens from Lithuania does not reflect the real legal status of the Russian citizens in Lithuania.

Permits for permanent residence in the Republic of Lithuania are issued on the basis of the law of the Republic of Lithuania on the legal status of foreigners in the Republic of Lithuania, the immigration law of the Republic of Lithuania, and according to the immigration quotas determined by the government.

Each specific case of granting a permit for permanent residence is discussed by the Department of Migration at the Ministry of Internal Affairs after a request to issue such a permit is received from a foreign citizen. The above laws give the competent state bodies the right to refuse to grant a permit for permanent residence in the Republic of Lithuania in such cases when a foreigner violates the laws of the Republic of Lithuania.

The Ministry of Foreign Affairs of the Republic of Lithuania categorically denies the propaganda statements of similar nature which have been disseminated through the Russian mass media as not contributing to the development of good-neighborly relations between the Republic of Lithuania and the Russian Federation, the statement by the Lithuanian Ministry of Foreign Affairs reads.

President Brazauskas Gives New Years Address

LD3101235895 Moscow ITAR-TASS World Service in Russian 1312 GMT 31 Dec 94

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Translated Text] Vilnius, 31 Dec—"The fifth year of independence is approaching. Twelve months of intensive, difficult, and persistent labor lie ahead of the old and, at the same time, the new Lithuanian state. And this year, we have all learned the art of democracy, taken new steps in this direction." This is how Algirdas Brazauskas, president of Lithuania, began his traditional New Year's greetings on national television and radio before the New Year of 1995 began.

Speaking of the country's foreign policy in the outgoing year and its prospects in the year ahead, the head of state said, in particular, that "Lithuania's relations with the Baltic countries have reached a new qualitative level, from general declarations and statements they have gone over finally to the signing of agreements and their implementation."

He said that "Lithuania has striven persistently for the main foreign policy aim—integration into the European Union and other international organizations. Our drawing closer together to the West European structures is becoming more purposeful, clearer. We may be glad that our land is guarded by such a policy and that reliable guarantees for peace and stability are being created."

Concluding his New Year greetings, the president of Lithuania said: "We all have the one homeland. There should be no oppressed, aggrieved, or rejected in it. We have one guiding star, too—accord. And there is one commitment for us—intensive labor."

Citizens Will Have To Declare Income, Property

LD0201091295 Moscow ITAR-TASS in English 0836 GMT 2 Jan 95

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Transcribed Text] Vilnius January 2 TASS—Citizens of Lithuania will be obliged to declare their incomes and properties, in compliance with a new law to this effect, coming into force as of January 1, 1995. The law is mainly aimed at establishing whether or not citizens of the republic are paying appropriate taxes on their incomes. Head of the state Algirdas Brazauskas initiated the document's approval.

The new law makes it binding on all adult residents of Lithuania to declare properties acquired and incomes earned by them in excess of 16 thousand lits (about 4,000

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U.S. dollars) during a calendar year. While fillng up a declaration form it is necessary not only to indicate, but also to prove that taxes on them have been paid.

Articles of this law will be implemented step-by-step. For example, in accordance with a list of high-ranking state officials, approved by the Sejm (parliament), the president, the chairman of the Sejm, his deputies, the chairman of the Constitutional Court, his deputies, the prosecutor-general, his deputies, the director-general of the customs service and some others will begin declaring their properties and incomes in the new year.

State officials of lower ranks will begin fulfilling this procedure as of January 1, 1996, and all other citizens of Lithuania only as of January 1, 1998.

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